

# CRS Report for Congress

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## **Iraqi Chemical & Biological Weapons (CBW) Capabilities**

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### **Summary**

The United Nations Special Commission (UNSCOM) has destroyed large amounts of CB weapons and materials in Iraq since 1991. UNSCOM has reported no firm evidence that Iraq still retains weapons or materiel, but the Iraqi government has not provided adequate evidence to support its claim all its CBW arsenal has been destroyed, nor has it accounted for CBW production materials known to have been in its possession. These factors, coupled with Iraqi obstruction of UNSCOM inspections has led to strong suspicions. U.S. and British intelligence agencies believe that Iraq still may possess tons of chemical warfare agents and the necessary materials to produce thousands of liters of biological agents. In addition, UNSCOM and U.S. intelligence believe Iraq may still have hidden from 2-10 warheads designed to deliver chemical or biological agents. UNSCOM and U.S. intelligence differ in their estimates of the number of missiles that may still be in Iraq. The Iraqi chemical warfare arsenal has included nerve agents (Sarin and VX), blister agents ("mustard gas"), and psychoactive agents (so-called Agent 15). Biological/toxin warfare agents produced by Iraq include anthrax, botulinum, aflotoxins, ebola virus, bubonic and pneumonic plague, ricin, and clostridium perfringens. Reconstitution of militarily significant production capability using materials unaccounted for to UNSCOM could take only a matter of weeks. During the week of February 23, the Senate is scheduled to consider S.Con.Res. 71, calling on the President to take all necessary and appropriate actions in response to the threat posed by Iraq's refusal to end its lethal weapons program.

### **Iraq's Chemical and Biological Arsenal**

In April 1991, the United Nations Security Council established the ceasefire conditions for the conflict in the Persian Gulf. Iraq accepted Security Council Resolution 687, which required the destruction or neutralization of 1) all nuclear, chemical, and biological weapons, and 2) all ballistic missiles with a range over 150 kilometers (90

miles). SCR 687 also prohibited Iraq from future development, production, or use of such weapons in the future. Subsequent Security Council Resolution 715 established the United Nations Special Commission (UNSCOM) to monitor and verify Iraqi compliance with these disarmament requirements. (See CRS Issue Brief *Iraqi Compliance with Ceasefire Agreements*, 92117)

Since 1991 UNSCOM inspectors in Iraq have overseen the destruction of :

- 38,000 chemical munitions
- 480,000 liters of chemical warfare agents and precursors
- 48 ballistic missiles
- 6 missile launchers
- 30 CBW missile warheads

During the last six years of inspections, the Iraqi government has made many declarations concerning the volume and deposition of chemical and biological weapons programs — all of which have been proven or judged to be inaccurate or incomplete. No admission, for example, of their extensive biological weapons program was made until Iraqi defectors forced acknowledgment. Iraq then claimed that all BW agents and materials had been destroyed — a claim rejected by both UNSCOM and Western intelligence agencies. As incomplete as they may be, Iraq declarations indicate a very extensive CBW program. UNSCOM guidelines require the confidentiality of its reports, and it is only recently that some details have been released by the U.S. and British governments. Information released so far indicates that prior to the Persian Gulf conflict Iraq produced (and claims to have destroyed):

- 4 tons of VX persistent nerve agent
- 19,000 liters of botulinum toxin
- 8,400 liters of anthrax spores
- unspecified amounts of the nerve agent Sarin and the blister agent “mustard gas”

Iraq has also acknowledged that prior to the Persian Gulf conflict it manufactured 100 botulinum bombs, 50 anthrax bombs, and 7 aflatoxin bombs. In addition, 16 missile warheads were filled with botulinum, five with anthrax bacillus, and four with aflatoxin.

U.S. and British intelligence agencies believe that Iraq has hidden stores of CBW agents, production equipment, ballistic missiles, and missile warheads. UNSCOM has reported no firm evidence that Iraq still retains weapons or materiel, but the Iraqi government has not provided adequate evidence to support its claim that all its CBW arsenal has been destroyed, nor has it accounted for CBW production materials known to have been in its possession. These factors, coupled with Iraqi obstruction of UNSCOM inspections, have led to strong suspicions. U.S. and British intelligence agencies believe that Iraq still may possess tons of chemical warfare agents and the necessary materials to produce thousands of liters of biological agents. UNSCOM and U.S. intelligence differ in their estimates of the number of actual missiles that may still be in Iraq. Again information is sketchy. In part, this is because much is classified, but even the classified information is reportedly incomplete. A recent report issued by the British government, however, provided some information [Foreign and Commonwealth Office — <http://193.114.50.5/texts/1998/feb/04/iraqppr.txt>].

- British intelligence believes that up to ten SCUD missiles capable of carrying CBW warheads remain hidden.
- UNSCOM reports that between 40-70 CBW-capable missile warheads are unaccounted for.
- Iraq possessed enough growth medium to produce over 16,000 liters more anthrax spores than has been acknowledged.
- 4,000 tons of CW precursor chemicals are unaccounted for; enough to produce several hundred tons of CW agents.
- 31,000 CW munitions remain unaccounted for.
- Essential CW production equipment remains unaccounted for.
- It is believed that Iraq may retain undetermined amounts of Ebola virus, bubonic and pneumonic plague bacteria, and the toxin ricin.

The current debate over the advisability of airstrikes has highlighted two significant challenges in the efforts to eliminate Iraq's CBW arsenal: 1) the great difficulty of locating and destroying CBW stocks, if they exist, through air power alone, and 2) the relative ease of reconstituting a CBW production program after such attacks, particularly if the goal is relatively small amounts suitable for terror attacks. The estimates have ranged from weeks to months, unless a close monitoring regime is maintained. Recent press reports indicate that even under the UNSCOM regime and the U.N. embargo on CBW-related equipment, Iraq may have been able to acquire equipment that could be used to produce biological weapons in a clandestine purchase from Russia.<sup>1</sup> Were such assistance to continue, reconstitution of a significant CBW capability would be relatively simple. Production of smaller amounts of CBW agents for terrorist use would be proportionately easier, and employment need not involve sophisticated delivery systems.

Another concern regarding airstrikes is the probability and effect of releasing CBW agents into the air as a result of bombing. There is a high degree of unpredictability in any such estimate. This has been exemplified by the difficulties that those investigating the so-called Persian Gulf War Syndrome have experienced in determining how many U.S. troops may have been exposed to some level of nerve agent after the U.S. destruction of an Iraqi munitions depot shortly after the Persian Gulf conflict. A variety of factors would affect whether contamination would be localized or widespread, temporary or long-term. These include: type of CBW agent, type of munition, target location, population density, wind, humidity, level of sunlight, and temperature. There are U.S. munitions in the experimental stages intended specifically to reduce collateral contamination by penetrating bunkers before detonating or by destroying CBW agents through incineration rather than explosion. It is not clear, however, whether these weapons will be deployed to the Persian Gulf while still under development.

For the purposeful use of chemical and biological weapons, predictive models of lethality do exist. In 1993, the Office of Technology Assessment developed the following estimate using the District of Columbia as the hypothetical target under three different weather conditions. The scenarios assumed aerosol agent distribution by an aircraft flying a line along the western city limit. Estimated *fatalities* resulting from the dispersal of approximately one ton of Sarin nerve agent or 220 lbs of anthrax spores were:

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<sup>1</sup>“Did Russia Sell Germ Warfare Equipment?”, *Washington Post*, February 12, 1998. P. 1.

	Clear sunny day, light breeze	Overcast or night, moderate wind	Clear calm night
Sarin	300-700	400-800	3,000-8000
Anthrax	130,000-140,000	420,000- 1.4 million	1-3 million

Source: *Proliferation of Weapons of Mass Destruction: Assessing the Risks*, Office of Technology Assessment. 1993.

Press reports and commentaries which carry even more distressingly high fatality estimates are generally calculated simply by determining how many lethal “doses” of agent could be supplied by the Iraqi stockpile. This type of estimate does not take into account any of the factors affecting actual employment.

## Chemical and Biological Agent Characteristics

**Nerve Agents** — These agents disrupt normal functioning of the central nervous system. They are colorless, tasteless, and odorless. **Sarin** is delivered as an aerosol and evaporates rather rapidly. Inhalation of 100 milligrams is lethal. **VX** is a persistent agent (effective for days or weeks depending upon climactic conditions) Absorbed through the skin, 5-10 milligrams are lethal. Exposure to nerve agents results in nausea, diarrhea, pulmonary edema, and convulsions leading to death by respiratory arrest in within one to fifteen minutes, depending on the concentration.

**“Mustard Gas”** — “Mustard gas” is actually an oily brownish liquid with a smell similar to garlic. It is a vesicant or blister agent. It is generally severely incapacitating rather than lethal, though intense or prolonged exposure can lead to fatal pulmonary edema. An incapacitating dose is about 200 milligrams, and 1,500 milligrams inhaled is sufficient to kill. Mustard gas damages any tissue it contacts, causing extensive and large blisters which last several weeks. Permanent damage to the lungs and eyes can result.

**“Agent-15”** — The British government recently asserted that Iraq developed large stocks of an incapacitant gas dubbed “Agent-15”. It is apparently a glycollate similar in effect to the agent **BZ**, an incapacitant once produced by the United States. If this is correct, exposure to about 100 milligrams in aerosolized form would be sufficient to incapacitate. Symptoms, which begin within 30 minutes of exposure and may last several days, include dizziness, vomiting, confusion, stupor, hallucinations, and irrational behavior. The U.S. Army considered BZ to be too unpredictable in its effectiveness to be useful on the battlefield, and all U.S. stocks were destroyed.

**Anthrax** — Anthrax is a disease caused by the bacillus *Anthraxis*. Infection can result from inhalation, ingestion, or absorption through the skin. Most effectively dispersed as an aerosol, anthrax spores decay in a matter of days in sunlight, but can contaminate soil for decades. 10,000 to 20,000 spores is a lethal dose — “something smaller than a speck

of dust,” according to a DOD biological warfare expert<sup>2</sup>. Symptom onset occurs 3-4 days after exposure, and initially resembles that of a common cold. Symptoms do not become identifiable as anthrax until the fatal phase of the disease, when vomiting, severe head and joint aches, and respiratory distress lead to death within 1-3 days. Vaccines are available against some forms of anthrax, but their efficacy against abnormally high concentrations of the bacteria is uncertain. Antibiotic treatment can be effective, but only if administered prior to the onset of symptoms, otherwise the fatality rate can exceed 90%.

**Aflatoxin** — Aflatoxins are toxins produced by the *aspergillus flavis* and *aspergillus parasiticus* fungi. They occur naturally on moldy grains and foodstuffs. The toxic dosage for humans has not been determined, but one type is considered a potent cause of liver cancer.

**Botulinum Toxin** — Botulinum, produced by the *clostridium botulinum* bacteria, causes the food-poisoning “botulism”. In pure form, it is a white crystalline substance, that is readily dissolvable in water, but decays rapidly in the open air. The symptoms of botulism begin 12-72 hours after exposure depending upon whether it is inhaled or ingested. Symptoms include nausea, diarrhea, paralysis of the throat, and convulsions, followed by death due to respiratory arrest. Vaccines are available, but again, their efficacy against abnormally high toxin dosages is uncertain. Early diagnosis and palliative treatment can prevent fatality.

**Clostridium Perfringens** — *Clostridium Perfringens* is a widespread bacterium which causes gas gangrene if allowed to grow in wounds or damaged tissue. The bacteria produce gases that cause intense swelling and toxins that kill muscle tissue. If not treated the bacteria enter the bloodstream causing fatal systemic illness. Early antibiotic treatment is effective, if undertaken before significant amounts of toxins have accumulated in the body.

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<sup>2</sup>Transcript, Department of Defense press conference, November 14, 1997.

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## Iraq: International Support For U.S. Policy

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### Summary

Although there is a worldwide consensus that Iraq must comply with all applicable U.N. resolutions, international attitudes differ sharply on how to compel Iraq to comply with the U.N. program of eliminating Iraq's weapons of mass destruction programs. Some countries support U.S. threats to use force against Iraq as a necessary step to ensure that Iraq does not reconstitute banned weapons programs. Other countries believe that force would kill Iraqi civilians already chafing under seven years of international sanctions and could prompt Iraq to expel U.N. weapons inspectors. Meanwhile, during the week of February 23, the Senate is scheduled to consider S.Con.Res. 71, calling on the President to take all necessary and appropriate actions in response to the threat posed by Iraq's refusal to end its lethal weapons program.

### Introduction

The United States is attempting to line up international backing for and participation in the use of force against Iraq, should diplomacy fail to obtain from Iraq a pledge to allow U.N. weapons inspectors (U.N. Special Commission on Iraq, UNSCOM) unfettered access to sites they need to inspect. In some cases, such as the Persian Gulf states, the United States seeks important operational as well as political support for airstrikes against Iraqi targets.

As shown in the analysis below, some countries are ambivalent in their support for the U.S. position in the current crisis.<sup>1</sup> Their ambivalence reflects the conflicting goals of supporting the United States while trying to respond to public opinion that does not necessarily favor airstrikes on Iraq. Several countries that are opposed to military action have economic interests in Iraq that might be acting as a factor in their positions on the crisis. It is possible that, as the crisis continues to develop, some countries might shift their positions depending on the degree to which Iraq is willing to compromise on the

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<sup>1</sup>The information in the report is taken from press reports and public statements by world leaders.

question of UNSCOM access to restricted sites. (*For further background on the crisis, the weapons inspection program, U.S. military deployments, and Iraqi capabilities, see CRS Issue Brief 92117, Iraqi Compliance With Cease-fire Agreements, updated regularly; Issue Brief 94049, Iraq-U.S. Confrontations, updated regularly; and CRS Report 97-808 F, Iraq: Erosion of International Isolation?, August 29, 1997.*)

## **Russia/Europe/Canada/Australia**

**Russia.** Strongest opponent of the use of force among the five permanent members of the U.N. Security Council. Actively attempting to mediate a solution to the crisis. Has longstanding political and economic ties to Saddam Husayn; Iraq owes Russia \$8 billion or more in debts. President Yeltsin has warned that U.S. military action against Iraq could set off a "world war," although his spokespeople subsequently softened his statements.

**France.** Opposes use of force, except possibly as a last resort, and says it will not join any military operation against Iraq in this crisis. Also attempting to mediate, in concert with Russia. Has longstanding ties to Iraq, and interest in developing Iraq's large untapped oil reserves. Iraq owes \$4 billion to France. Believes the United States has not given Iraq incentives to comply with applicable U.N. resolutions.

**United Kingdom.** Strongest supporter of U.S. position. Has sent aircraft carrier and other forces to the Gulf to join U.S. Despite support, prefers airstrikes should be authorized by U.N. Security Council declaration of Iraq in "material breach" of the cease-fire.

**Canada.** Prime Minister Jean Chretien announced February 10 that Canada will send a frigate, transport aircraft, and 300 to 400 troops to support U.S. forces in the Gulf.

**Netherlands.** The Foreign Ministry said February 13 the Netherlands would send a frigate to join U.S. forces in the Gulf, but it would only participate in military action if all diplomatic options are exhausted.

**Germany.** After February meeting with Secretary of Defense Cohen, Chancellor Helmut Kohl said Germany will allow U.S. use of bases in Germany for strike on Iraq. Offer is considered more significant politically than operationally. German leaders appear to want all possible diplomatic options exhausted before any strike.

**Italy.** Believes military action could have unintended adverse consequences for Middle East stability. Has not yet taken a position on U.S. use of bases in Italy for strikes.

**Belgium.** Announced (February 18) deployment of a frigate to support U.S. forces in the Gulf, but would need a further government decision to engage it in hostilities if they occur.

**Spain.** Position somewhat unclear. Spanish press report says government will authorize U.S. to station 30 aerial refueling tankers at a southern base. Also offering to send technicians to support UNSCOM.

**Portugal.** Favors diplomacy backed by threat of force. Authorizes U.S. use of base in Azores islands group. Currently sits on the U.N. Security Council.

**Greece.** Will not participate in military action without Security Council backing. Non-committal on U.S. use of bases in Greece for a strike.

**Denmark.** Government asked parliament on February 16 to support sending a C-130 transport aircraft to the Gulf.

**Ireland.** Wants to give diplomacy every chance, according to Ireland's Ambassador to the United Nations. Considered unlikely to participate in military action or provide logistical help. Not a NATO member.

**Sweden.** Currently sits on U.N. Security Council and a new member of the European Union. Tends to oppose use of force in most international situations but reportedly might support force against Iraq if Baghdad remains uncooperative.

**Poland/Hungary/Czech Republic.** The foreign ministers of the three prospective NATO members told Secretary of State Albright February 9 they would support use of force against Iraq if it becomes necessary. Poland says it will send an anti-chemical and biological warfare unit to the Gulf in the event of military action. Hungarian parliament voted February 17 to allow U.S. aircraft to use Hungarian airspace and airfields, and to send a medical team to the Gulf.

**Australia.** Backs use of force, and will send 250 troops to the Gulf, including specialists in covert search and rescue operations. Home country of UNSCOM Chairman Richard Butler.

**New Zealand.** Prime Minister Jenny Shipley said February 16 New Zealand will send two surveillance aircraft and up to 20 special forces personnel.

**Romania.** Foreign Ministry said February 15 Romania would join military action if authorized by U.N. Sent chemical warfare specialists in 1991 Gulf war. Iraq owes Romania \$1.7 billion dating to Ceausescu era.

**Norway.** Plans to send about 30 personnel to support the coalition.

## **Middle East/Persian Gulf**

**Turkey.** Generally opposes use of force, and Foreign Minister Ismail Cem is attempting to intercede with Baghdad to avoid a U.S. strike. Does not want U.S. to ask for use of bases in Turkey for strikes on Iraq, but continues to allow U.S./British patrols of northern Iraq no fly zone from Incirlik air base. Fears safehaven in Iraq for Turkish Kurdish opponents and has sent troops into northern Iraq to prevent a Kurdish refugee surge into Turkey that might result from a U.S. airstrike. Key outlet for Iraqi oil exports under Resolution 986 "oil-for-food" program and tacitly permits some illicit imports of Iraqi oil products by Turkish truck drivers.

**Egypt.** Generally opposed to use of force against Iraq, and Foreign Minister Amr Moussa is attempting to organize other Arab opinion in support of a diplomatic solution.



A publicly. Like many other Arab states, Egyptian public opinion is sympathetic to the light of the Iraqi people; some pro-Iraqi demonstrations have been held. Egypt and other Arabs also believe the United States insists on a higher standard of Iraqi compliance with

**Jordan.** King Hussein hurt the Iraqis. The King supports efforts to obtain full Iraqi compliance with solutions and says Iraq will pay dearly for defying the United Nations. Has long close political and economic relations with Iraq and did not support allied action in Desert Storm. Dependent on subsidized shipments of Iraqi oil. Despite a ban, Iraqis are still allowed to travel to Jordan.  
18.

Strongly supportive of the U.S. position and Prime Minister Netanyahu says Israel reserves the right to retaliate if attacked by Iraq. Nervous about possible remaining

**Palestinian** Generally supportive of Iraq, as the PLO was in Desert Storm, but Arafat said February 16 he does not want Israelis hurt. Despite a ban, pro-Iraqi demonstrations have been held repeatedly in February. Radical wing of Islamist Palestinian organization Hamas vowed February 17 to attack Israelis if the U.S. strike Iraq.

**Syria.** A strike against Iraq would be unjustified. Has been improving relations with Iraq over the past few years, and reopened border with Iraq in June 1997. Supports Iraqi demands to alter the composition of UNSCOM.

**n.** Opposes military action against Iraq, according to Prime Minister Rafiq al-Hariri. Politically and economically close to Syria, and tends to follow Syrian lead on foreign policy issues.

**Iran.** Opposes action against Iraq, despite eight year war with that country (1980-88) in which Iraq used chemical weapons and Scud missiles. Stood neutral in the 1991 Persian Gulf War. Opposes U.S. forces or allow strikes on Iraq from their territories. Relations with Iraq have improved over the past two years although deep differences remain. Relations with the

**Saudi Arabia.** Largest and most important of the Gulf states, has indicated it will not allow Iraqi forces in Saudi Arabia. Is allowing continuation of U.S. overflight of southern Iraq (Southern Watch operation) from Saudi airfields, and has assured Secretary of Defense Cohen privately that it will allow U.S. overflights and operations of U.S. support aircraft. In February, Saudi Arabia has agreed to allow U.S. aircraft to use its airbases. Saudi Arabia to carry out strikes on Iraq.

Most supportive of the Gulf states, has allowed emplacement of additional

**United Arab Emirates.** Least supportive of the Gulf states for strikes against Iraq. Leader, Shaykh Zayid bin Zayid Al Nuhayyan, has repeatedly called for forgiving Iraq's invasion of Kuwait and reintegration into the Arab fold. However, UAE leaders are reported to have privately assured Secretary of Defense Cohen that U.S. aerial refueling tankers could continue to operate out of UAE, and that they will allow overflights in the event of an airstrike.

**Oman.** Agreed to allow U.S. to station five KC-10 tankers in Oman. Secretary Cohen asserts Oman will support a U.S. strike on Iraq, but Omani leaders have not said that publicly.

**Qatar.** Generally opposed to military action against Iraq. Has not offered to host additional forces for a possible strike, but will permit U.S. access to equipment prepositioned in Qatar. Foreign Minister Hamad bin Jasim Al Thani met Saddam February 16 to attempt mediation; highest ranking Gulf official to visit Iraq since 1991 war.

**Bahrain.** Has allowed U.S. to station additional combat aircraft, including B-1 bombers, during the crisis. However, Information Minister Muhammad al-Mutawa said February 17 Bahrain has not allowed strikes on Iraq from Bahrain. Has hosted U.S. naval headquarters in the Gulf since the 1940s.

**Yemen.** President Ali Abdullah Salih opposes military force in the current crisis. Generally supported Iraq during the 1991 Gulf war; favored an Arab-led diplomatic solution to the Iraqi invasion of Kuwait. Arrested pro-Iraqi demonstrators February 14.

## Asia/South Asia

**China.** Strongly opposed to military action, and would likely oppose a U.N. Security Council resolution declaring Iraq in material breach of the Gulf war cease-fire. Foreign Minister Qian Qichen said in December 1997 that it is possible Iraq no longer has or is producing banned weapons of mass destruction.

**Japan.** Generally opposed to military action, but will likely support the U.S. publicly if it decides to strike Iraq. Currently a member of the U.N. Security Council.

**India.** Opposed to military force against Iraq in the current crisis, according to a letter from Prime Minister Inder Gujral to the U.N. Secretary General.

**Pakistan.** "Advising" against use of force, according to the Foreign Ministry.

**Malaysia.** Foreign Minister Abdullah Badawi says Malaysia opposes the use of force.

## Africa

**South Africa.** Opposes military action against Iraq, according to Foreign Minister Alfred Nzo.

## Latin America

**tina.** Defense Minister Jorge Dominguez said February 13 that Argentina will contribute 100 noncombat support troops (medical, transport) to the Gulf.

## International/Multilateral Bodies

Secretary General Kofi Annan said February 10 that both and the U.S. should back down from maximalist positions. Says that any solution should action. e crisis.

Secretary General of the organization, Egyptian diplomat Ismat Abd I-Magid, opposes the use of force against Iraq and is attempting to mediate a diplomatic

**Gulf Cooperation Council (GCC).** Groups Saudi Arabia, Qatar, n Ministers e if urrent crisis results in airstrikes against Iraq. The statement called the crisis a

**The Vatican.** Pope John Paul urging a diplomatic solution. R war a "just war."

**European Union.** European Commission (executive body of the EU) President Jacques Santer calling for a diplomatic solution.

# CRS Report for Congress

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## Iraq Crisis: U.S. and Allied Forces

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### Summary

A build-up of U.S. forces in the Persian Gulf began in October 1997, in response to Iraq's refusal to cooperate fully with the work of U.N. weapons inspectors. As the crisis worsened in early 1998, force levels climbed to over 35,000 U.S. military personnel, approximately 275 combat aircraft, and 40 ships, including two aircraft carriers, supplemented by small allied contingents. Though much smaller than the massive coalition assembled after Iraq invaded Kuwait in 1990, U.S. officials believed this force capable of conducting significant military strikes against Iraq if necessary. An agreement in late February 1998 averted a confrontation, but expanded force levels were continued until June. Following redeployments in June, U.S. forces returned to their pre-crisis level of approximately 20,000 military personnel in the Gulf. This report will be revised when a significant change occurs in force levels in the Gulf region. Related reading includes CRS Issue Brief 92117, *Iraqi Compliance with Cease-Fire Agreements* and CRS Report 98-114, *Iraq: International Support for U.S. Policy*.

### U.S. Forces Build-up

The defeat of Iraq by the U.S.-led coalition in early 1991 led to a drastic reduction in U.S. force levels, which had reached 540,000 in the Persian Gulf region at the height of the war. Until late 1997, U.S. troop strength in the Gulf fluctuated between 14,000 and 20,000, of whom a majority were embarked on ships, with smaller numbers based in Saudi Arabia and other Gulf countries. These contingents helped enforce a no-fly zone over southern Iraq (Operation Southern Watch), participated in training and joint exercises with Gulf armed forces, guarded U.S. military equipment prepositioned in Gulf countries, and provided a limited deterrent to potential moves by Iraq or possibly Iran. Approximately 200 U.S. combat aircraft and 20 ships (frequently including an aircraft carrier) were in the region at any given time.

In October and November 1997, the United States responded to Iraqi efforts to obstruct the work of U.N. weapons inspectors by sending additional ships and aircraft to the Gulf, including two aircraft carrier groups, six F-117A stealth fighters to Kuwait, eight B-52 bombers to the Indian Ocean island of Diego Garcia (British territory), and 32 other

combat aircraft to Bahrain. As the crisis intensified, Secretary of Defense William Cohen announced additional deployments on February 4. These reinforcements, which began moving to the Gulf region in mid-February, included 19 more fighters and bombers, the 24<sup>th</sup> Marine Expeditionary Unit (over 2,000 combat personnel) aboard ships, and Army aviation and mechanized units (approximately 5,000-6,000) which joined 1,500 Army troops that were already in Kuwait.

Table 1 shows U.S. forces in the Gulf at the height of the build-up, as well as a U.S. air contingent based in Turkey (technically outside the Gulf region but committed to enforcing a no-fly zone over northern Iraq).<sup>1</sup> Some U.S. military assets in the region might not have been available for use in the event of a military operation against Iraq, notably the 24 fighter aircraft in Turkey and the 50-60 fighter aircraft in Saudi Arabia. Saudi authorities are reluctant to permit air strikes against Iraq from Saudi bases, although they reportedly were willing to allow operations by non-combat support aircraft. Even without the use of Saudi-based fighters, the U.S. area commander General Anthony Zinni expressed the view that U.S. forces in the region could carry out a “very substantial” operation against Iraq.<sup>2</sup>

<b>Table 1. U.S. Forces in Persian Gulf Region (February to May 1998)</b>			
<b>Location</b>	<b>Personnel</b>	<b>Ships</b>	<b>Combat Aircraft</b>
Afloat--5th Fleet	19,000	20 <sup>a</sup>	103 F-14, FA-18, EA-6B
Afloat--MSC <sup>b</sup>	189 <sup>c</sup>	22	---
Kuwait	7,000-8,000	---	12 F-117A; 6 F-16; 18 A-10
Saudi Arabia	5,000-6,000	---	50-60 F-15, F-16
Bahrain	1,500	---	36 F-15, F-16; 3 B-1
Other Gulf	100	---	(support aircraft)
Turkey (Operation Northern Watch)	1,300	---	24 F-15, F-16
Diego Garcia	100	---	14 B-52
<i>Totals (not additive)</i>	<i>approx. 35,000</i>	<i>40+</i>	<i>approx. 275<sup>d</sup></i>

<sup>a</sup>Including two aircraft carriers.

<sup>b</sup>Military Sealift Command. Number of ships (mainly supply ships) changes with some frequency.

<sup>c</sup>Plus 870 civilian mariners, 64 scientists. Numbers of personnel fluctuate.

<sup>d</sup>Press cited 300-350; may have included support aircraft as well as combat aircraft.

Sources: Department of Defense; Press. The number of personnel in smaller Gulf states and Diego Garcia represents estimates.

<sup>1</sup>According to a Defense Department spokesman on May 26, 1998, at one point during the crisis U.S. forces in the Gulf region peaked at 44,000. This strength figure probably was reached during a brief period in February when there were three aircraft carriers in the Gulf.

<sup>2</sup>Steven Lee Myers, “U.S. Will Not Ask to Use Saudi Bases for a Raid on Iraq,” *The New York Times*, Feb. 9, 1998, p. A1.

## Allied Forces (Non-U.S.)

Widespread reluctance in the international community to resort to force against Iraq prevented the United States from assembling a large multinational force like the 35-member coalition that defeated Iraq in 1991. The United Kingdom deployed an aircraft carrier and associated units to the Gulf; Canada sent a frigate and transport aircraft; and Australia and New Zealand sent tanker and surveillance aircraft, respectively, together with small contingents of commandos. Other donor countries offered administrative and logistical rather than combat units: Argentina, Denmark, and Hungary promised medical and humanitarian teams. Poland offered an anti-chemical unit, and the Czech Republic and Romania offered unspecified military support, if needed. Total allied forces deployed or committed came to less than 4,000 personnel, only a fraction of the roughly 210,000-strong allied force committed during the 1991 Gulf war.

Other states indicated their willingness to support military action. On March 4, Under Secretary of State Thomas R. Pickering told foreign journalists that “there is now a coalition of some 20 states” who will engage in a military operation against Iraq if it should take place. Presumably, the total of 20 states included the allied countries mentioned above, but Secretary Pickering did not name the countries or indicate the degree of support they might provide.<sup>3</sup>

Table 2 shows allied forces in the Gulf region at the height of the build-up. None of the six countries comprising the Gulf Cooperation Council (GCC, consisting of Saudi Arabia and five smaller Gulf neighbors) committed themselves to participate in a military campaign against Iraq. Consequently, the table does not include any of the approximately 300,000 military personnel serving in the armed forces of GCC countries, which were key members of the allied coalition in 1990-1991. It is possible that one or more of these countries might have decided to play an active role in a campaign if the situation had developed into a more serious confrontation. A likely candidate might have been Kuwait, where memories of the 1990 Iraqi invasion are still fresh. Kuwait put its 16,000-member armed forces on a higher state of alert during the crisis. For further information on allied support and positions of other countries regarding the present crisis, see CRS Report 98-114, *Iraq: International Support for U.S. Policy*.

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<sup>3</sup>According to a news report, State Department officials met with ambassadors of over 30 countries (10 more than the number cited in the Pickering briefing) that had promised to provide troops or other support to a military coalition. Patrick Worsnip, “Clinton warns Iraq to comply--or else,” Reuters news wire, March 3, 1998, 00:50 AET. It seems likely that most of these countries offered modest logistical support rather than troop deployments.

<b>Table 2. Allied Forces Committed to the Persian Gulf Region</b>			
<b>Country</b>	<b>Personnel</b>	<b>Ships</b>	<b>Combat Aircraft</b>
Argentina	100	---	---
Australia	250	---	2 tankers (Boeing 707)
Belgium	unknown	1 <sup>a</sup>	---
Canada	300-400	1 <sup>a</sup>	2 tankers (KC-130)
Chile	41	---	5 helicopters
Denmark	33	---	1 transport (C-130)
Hungary	50	---	---
Netherlands	unknown	1 <sup>a</sup>	---
New Zealand	70	---	2 surveillance aircraft (P-3K)
Norway	20-30	---	1 transport (C-130)
Poland	216	---	---
United Kingdom	2,500	5 <sup>b</sup>	20 Tornado; 25 Harrier

<sup>a</sup>Frigate

<sup>b</sup>Including one aircraft carrier

Notes:

- (1) Above forces were promised, but not all were actually deployed.
- (2) In addition, the Czech Republic and Romania reportedly offered contingents if needed.

Sources: Press

## Redeployments

Although the crisis eased following the agreement reached between the U.N. Secretary General and the Iraqi leadership on February 23, the United States maintained its enhanced force levels in the Gulf for another three months. On March 4, Secretary of State Madeleine Albright, quoting President Clinton, told a subcommittee of the House Appropriations Committee that “Our soldiers, our ships, our planes will stay there in force until we are satisfied Iraq is complying with its commitments.”

During May, as the crisis continued to recede, Administration officials became increasingly concerned that the large-scale U.S. military presence in the Gulf was affecting U.S. force readiness and creating domestic problems for U.S. allies. On May 26, President Clinton ordered a reduction of U.S. forces, beginning with the return of one of the two aircraft carriers, the *U.S.S. Independence*, to the Pacific. The *Independence* departed the Gulf region on May 27. Other withdrawals took place in early June: the Air Expeditionary Force in Bahrain (approximately 40 combat aircraft); all 12 F-117A “Stealth” fighters in Kuwait; a brigade and other ground force units in Kuwait; and some of the 14 B-52 bombers and support aircraft in Diego Garcia. Allies began withdrawing their contingents as well.

Defense officials announced that at least one aircraft carrier would remain in the Gulf for the foreseeable future and another would be nearby in the Mediterranean. A Defense spokesman said the United States will maintain a task force of approximately 1,200 ground force personnel in Kuwait almost constantly to conduct training with Kuwaiti forces on equipment prepositioned in Kuwait, along with a multiple launch rocket system battery and additional helicopters. In addition, according to Defense officials, the United States is keeping "a very powerful force of cruise missiles" in the Gulf region. Besides these forces, other contingents are remaining in the Gulf to continue enforcing overflights of southern Iraq (Operation Southern Watch), maintaining maritime interception operations, and conducting training activities with Gulf allies. According to Defense officials, after the withdrawals, U.S. forces in the Gulf will average approximately 20,000, varying perhaps as much as 2,000 above or below that level, and 150-200 aircraft.

Tensions with Iraq increased late in the summer of 1998. In spite of its February 23 agreement to permit unfettered access by U.N. weapons inspectors, the Iraqi Government announced on August 5 that it would end cooperation with the U.N. Special Commission (UNSCOM) charged with conducting weapons inspections until certain demands were met. (One of these demands, reportedly, is the reconfiguration of UNSCOM in such a way as to reduce U.S. and British influence in the commission.) On August 12, 1998, the Defense Department public affairs officer told reporters that "We have a very strong force ready to, and able to, defend our interests and to put pressure on Saddam Hussein if necessary." Total U.S. strength in the Gulf as of August 12, he said, was 19,650 personnel, including 11,000 sailors and Marines (mostly embarked on ships), 5,900 Air Force personnel, 2,300 Army personnel, and 450 in joint headquarters. He maintained that U.S. forces in the Gulf are more powerful than they were before the build-up that began in late 1997 (for example, the number of cruise missiles is about twice the number in the region last year), and pointed out that they can be reinforced substantially within 48 hours if need arises.



# CRS Issue Brief for Congress

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## **Iraq-U.S. Confrontation**

**Updated August 30, 2001**

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### SUMMARY

Efforts by Iraq to impede U.N. weapons inspections since late 1997 and to challenge the allied-imposed no-fly zones over northern and southern Iraq have resulted in further confrontations with the United States and its allies. In early 1998, U.S.-led retaliatory strikes against Iraq were averted by an agreement negotiated by the U.N. Secretary General on February 23, under which Iraq promised “immediate, unconditional, and unrestricted” access by U.N. inspectors throughout Iraq. On March 3, the U.N. Security Council passed Resolution 1154, which warned Iraq of the “severest consequences” for violating the agreement.

A decision by Iraq to ban almost all U.N. inspections on October 31, 1998, precipitated a new phase of the confrontation. The Clinton Administration decided to abort air and missile strikes planned for November 14-15 after Iraq agreed at the last minute to resume cooperation with U.N. inspections. But, following a report on December 15 by the chief weapons inspector that Iraq was withholding cooperation, the United States and Britain conducted a 4-day operation against Iraq (Operation Desert Fox) including approximately 410 missiles and 600 bombs.

Since the December 1998 operation, the United States and Britain have carried out air strikes against Iraqi air defense units and installations on a frequent basis, in response to Iraqi attempts to target allied aircraft enforcing no-fly zones over northern and southern Iraq. On February 16, 2001, allied aircraft conducted strikes against five Iraqi air defense installations north of the 33<sup>rd</sup> parallel (the northern limit of the southern no-fly zone) in

response to increasing challenges by Iraqi air defense units. Since then, allied aircraft have continued to conduct periodic strikes against Iraqi air defense installations, amid reports that Iraq has been upgrading its air defense capabilities. A senior U.S. official reportedly warned on July 29 that the Bush Administration is contemplating the use of “military force in a more resolute manner” against Iraq.

According to the U.S. Defense Department as of late November 1998, expanded military operations and crisis build-ups in the Gulf since the 1991 war had cost a total of \$6.9 billion. Incremental costs of these operations amounted to approximately \$1.6 billion in FY1998, 1.3 billion in FY1999, \$1.1 billion in FY2000, and \$1.1 billion estimated in FY2001. In November 1998, Members of Congress from both parties voiced support for military action to compel Iraqi compliance with U.N. resolutions, and on December 17, the House of Representatives passed H.Res. 612, expressing unequivocal support for U.S. military personnel conducting operations in the Gulf.

Erosion of the former allied coalition and U.S. force constraints limit some military options. Although some Arab states, notably Kuwait and Saudi Arabia, host U.S. aircraft enforcing no-fly zones, no Arab states with the exception of Kuwait have publicly supported allied air strikes against Iraq.

Some officials and analysts have called for expansion of no-fly zones over Iraq. Others support covert operations to inflict damage on key Iraqi facilities and build a viable opposition to the regime.

## MOST RECENT DEVELOPMENTS

*On July 24, 2001, Iraqi forces fired a surface-to-air missile which, according to some reports, came close to hitting a U.S. high altitude U-2 reconnaissance aircraft. U.S. aircraft have struck several Iraqi air defense installations in August in response to continuing Iraqi efforts to shoot down allied aircraft patrolling the no-fly zone over northern and southern Iraq. On August 27, according to the U.S. Defense Department, a U.S. Air Force RQ-1B Predator – an unmanned aerial vehicle (UAV) – was reported missing over southern Iraq while on a routine mission in support of Operation Southern Watch. Iraqi media claimed that Iraq's air defense units successfully hit the UAV, while a U.S. Defense Department statement said the aircraft may have crashed or may have been shot down. According to the U.S. Defense Department, no sensitive technology was compromised by the loss of the aircraft.*

*On June 4, 2001, Secretary Rumsfeld told reporters inquiring about U.S. overflights of Iraq that “there is a risk to pilots that fly in areas that are dangerous and defended.” He added that “[t]he risk grows to the extent that other nations assist Iraq in strengthening its military capability, its air defense capability and its ability to proceed with its clear and unambiguous desire to have increasingly powerful weapons and military capabilities.” On July 29, U.S. National Security Advisor Condoleezza Rice was quoted as telling media representatives that the Administration is contemplating the use of “military force in a more resolute manner.”*

## BACKGROUND AND ANALYSIS

This issue brief covers the most recent U.S.-Iraqi confrontation, which began in the fall of 1998. It summarizes events that led to the crisis, the allied military build-up, military strikes against Iraq, international reactions, costs, and options for U.S. policy makers. For further information on previous U.S.-Iraqi confrontations and developments leading to the present crisis, see CRS Report 98-386, *Iraq: Post-War Challenges and U.S. Responses, 1991-1998*.

Since the cease-fire of March 3, 1991, that ended the Persian Gulf war (Operation Desert Storm), the United States has resorted on several occasions to the use or threat of force against Iraq. Some of these incidents resulted from Iraqi challenges to U.N. cease-fire terms that followed the war. Others resulted from bilateral issues between Iraq and the United States and its allies.

A principal factor in the most recent confrontation was Iraq's failure to cooperate fully with U.N. weapons inspectors. The inspection regime, established by U.N. Security Council Resolution 687 adopted on April 3, 1991, is designed to identify and dismantle Iraq's programs to develop weapons of mass destruction, including chemical, biological, and nuclear warfare systems as well as missiles capable of delivering them. Two agencies are charged with conducting these inspections: the U.N. Special Commission on Iraq (UNSCOM), which deals with chemical, biological, and missile systems; and the International Atomic Energy Agency (IAEA), which deals with Iraqi nuclear weapons programs. Since the inception of the inspection regime, Iraq has obstructed its work in various ways:

- False, misleading, or incomplete responses to questions posed by inspectors;
- Interference by Iraqi escorts with the conduct of inspections;
- Denial of access to “sensitive” sites on grounds of national security;
- Removal of or tampering with material evidence of weapons programs; and
- Attempts to exclude U.S. personnel from inspection teams.

On seven occasions between 1991 and 1993, the U.N. Security Council found Iraq in “material breach of cease-fire terms”; however, the Council has not issued a finding of “material breach” since June 17, 1993, despite subsequent Iraqi provocations. According to news reports, some Council members are reluctant to agree to another such finding, which they think might provide the basis for an attack on Iraq.

Another factor contributing to the recent confrontation was Iraqi violation of the no-fly zones imposed by the United States and its allies over portions of northern and southern Iraq. U.S. and British aircraft (and formerly French aircraft) have conducted overflights of northern and southern Iraq since 1991 and 1992, respectively, to enforce the bans on Iraqi aircraft in these zones. The allied overflights are known as Operation Northern Watch and Operation Southern Watch and are designed to exclude Iraqi aircraft from flying north of the 36<sup>th</sup> parallel and south of the 33<sup>rd</sup> parallel, respectively. The southern zone, covering 227,277 square kilometers (87,729 square miles) is larger than the northern zone, which covers 43,707 square kilometers (16,871 square miles), but Iraqi air defenses reportedly are thicker in the northern zone. Together, these zones cover 270,985 square kilometers (104,600 square miles), or 62% of Iraqi territory.

U.S. officials base the no-fly zones primarily on U.N. Security Council Resolution 688 of April 5, 1991, which demands that Iraq end repression of its population (notably Kurds in the north and Shi’ite Muslims in the south), and on the military cease-fire agreements after the Gulf war (the Safwan Accords), which forbid Iraq to interfere with allied air operations over Iraq. Some countries question this interpretation, arguing that Resolution 688 was not passed under Chapter VII provisions (peace and security) and does not by itself permit military action to enforce its terms. Iraq maintains that the no-fly zones constitute an illegal infringement on its sovereignty and has occasionally fired on allied planes conducting overflights to enforce these zones.

## **Events of the Crisis**

### **Forerunner Episodes**

Between mid-1993 and 1996, UNSCOM personnel were able to carry out their inspections of Iraqi weapons programs with relatively little interference by the government of Iraq. Increasing attempts by Iraq in 1997 to impede U.N. weapons inspections and to exclude U.S. personnel from UNSCOM teams prompted demands by the U.N. Security Council that Iraq cease its interference or face further sanctions. A Russian undertaking in November 1997 to seek “balanced representation” in UNSCOM membership temporarily averted a crisis; however, tensions mounted again in January 1998, as Iraq once more barred U.S.-led teams from conducting inspections and declared several “sensitive sites” off limits to U.N. inspectors. After a month of intensive diplomacy and a continuing build-up of U.S.

forces in the Persian Gulf region, the Iraqi Deputy Prime Minister and the U.N. Secretary General signed an agreement with the following provisions:

- Reconfirmation by Iraq that it accepts relevant U.N. resolutions
- Commitment of U.N. member states to “respect the sovereignty and territorial integrity of Iraq”
- “Immediate, unconditional, and unrestricted access” by UNSCOM and IAEA within Iraq, with respect for Iraqi concerns relating to “national security, sovereignty, and dignity”
- Special procedures to apply to inspections at eight “presidential sites” defined in an annex to the agreement
- Efforts to accelerate the inspection process, and an undertaking by the Secretary General to bring to U.N. Security Council members the concerns of Iraq over economic sanctions.

On March 3, the U.N. Security Council unanimously passed Resolution 1154, co-sponsored by Britain and Japan, which commended the initiative of the Secretary General in security these commitments from Iraq, stressed that Iraq must comply with its obligations, and warned that any violation of these terms or other Security Council resolutions “would have the severest consequences for Iraq.” Although inspections during the spring of 1998 proceeded relatively smoothly, many questions concerning Iraq’s weapons programs remained unresolved. Also, Iraqi spokesmen continued periodically to warn of a new crisis if economic sanctions were not quickly removed.

## **December 1998 Air Strikes**

After a lull of several months, tensions mounted in August 1998, as Iraq began to challenge U.N. operations once more. On August 5, Iraq announced that it would no longer allow UNSCOM to inspect new facilities, and followed with a ban on all remaining UNSCOM activities on October 31. U.S. officials described Iraq’s actions as unacceptable, as did some other members of the Security Council. Resolution 1205 of November 5, which demanded that Iraq rescind its bans on U.N. weapons inspection activities and resume full cooperation with UNSCOM, did not specifically mention use of force; however, U.S. officials emphasized again that all options are open including military force to compel Iraqi compliance. On November 11, the United Nations evacuated more than 230 staff personnel from Baghdad, including all weapons inspectors, as the United States warned of possible retaliatory strikes against Iraq.

As U.S. forces were on the verge of conducting air and missile strikes against Iraq on November 14, the Clinton Administration delayed them for 24 hours upon learning that Iraq had agreed to resume cooperation with UNSCOM. After further negotiations, Iraq agreed in a letter to the Security Council on November 15 to provide unconditional cooperation to UNSCOM and rescind its ban on UNSCOM activities. The Administration then canceled the planned strikes; however, the President warned that Iraq must fulfill its obligations. Specifically, in a news conference on November 15, he listed five conditions Iraq must fulfill to meet the criteria of unconditional cooperation:

- Resolution of all outstanding issues raised by UNSCOM and the IAEA.

- Unfettered access for inspectors with no restrictions, consistent with the February 23 memorandum signed by Iraq.
- Turnover by Iraq of all relevant documents.
- Acceptance by Iraq of all U.N. resolutions related to mass destructions weapons.
- No interference with the independence or professional expertise of weapons inspectors.

Despite its pledges on November 14-15, Iraq began to impede the work of U.N. weapons inspectors once more, according to statements by UNSCOM Chief Butler on December 8. On December 15, Butler submitted a report in which he concluded that "Iraq did not provide the full cooperation it promised on 14 November 1998" and "initiated new forms of restrictions upon the Commission's work." On December 15, Butler withdrew remaining UNSCOM inspectors from Iraq, saying that they could no longer perform their mission. On the following day, then President Clinton directed U.S. forces to strike military and security targets in Iraq. He described the mission as "to attack Iraq's nuclear, chemical and biological weapons programs and its military capacity to threaten its neighbors."

Attacks began on December 16, 1998, at 5:06 p.m. EST (December 17 at 1:06 a.m. Baghdad time) in an operation known as Desert Fox, as U.S. forces launched over 200 cruise missiles (officials declined to give an exact number) at over 50 targets in Iraq, from the aircraft carrier *U.S.S. Enterprise*, other Navy ships in the region, and some 70 Navy and Marine Corps aircraft. According to some media reports, B-52 bombers based in the Indian Ocean island of Diego Garcia took part as well. British forces also joined in the attacks. A second wave of attacks took place on the evening of December 17-18, involving approximately 100 cruise missiles (but with larger warheads than those used in the first wave of attacks) and B-52 bombers, again with British participation. B-1 bombers joined the attack during the third wave (evening of December 18-19), marking the first combat operations for this aircraft. After the fourth wave of attacks (evening of December 19-20), President Clinton halted the 72-hour operation (code named Operation Desert Fox) on December 20. Senior U.S. officials warned that the United States would repeat its attacks as often as necessary to prevent Iraq from continuing programs to develop mass destruction weapons.

During Operation Desert Fox, U.S. and British forces launched approximately 415 cruise missiles (325 Tomahawks fired by Navy ships and 90 air launched cruise missiles mainly by B-52s) and dropped more than 600 bombs. According to reports by the U.S. Department of Defense, the 97 targets of allied attacks included lethal weapons production or storage facilities (11), security facilities for weapons (18), Iraqi Republican Guards and other military facilities (9), government command, control, and communications facilities (20), air defense systems (32), airfields (6), and one oil refinery. According to preliminary Defense Department assessments on December 20, 10 targets were destroyed, 18 severely damaged, 18 moderately damaged, 18 lightly damaged, and 23 not yet assessed. A second assessment on December 21 cited a total of 98 targets, of which 43 were severely damaged or destroyed, 30 moderately damaged, 12 lightly damaged, and 13 not damaged. The U.S. theater commander described the estimates as conservative, pointing out that even lightly damaged facilities can be rendered unusable. There were no U.S. or British casualties. According to the Iraqi Deputy Prime Minister, the allied action killed 62 Iraqi military personnel (including 38 Republican Guards) and wounded 180; there have been no estimates of Iraqi civilian casualties. Chairman of the Joint Chiefs of Staff General Harry Shelton told the Senate on

January 5, 1999, however, that allied strikes killed or wounded an estimated 1,400 members of Iraq's elite military and security forces (600 from the Special Republican Guard and 800 from the Republican Guard).

## Further Actions

A series of follow-on military actions have occurred since December 28, 1998, as Iraqi air defenses have tried to target U.S. and British aircraft patrolling the no-fly zones and Iraqi aircraft have made brief intrusions into the zones. U.S. Air Force and Navy aircraft, as well as British aircraft, have responded to Iraqi challenges with anti-radiation missile strikes directed against Iraq air defense and command and control installations and have fired at intruding Iraqi aircraft. Before Operation Desert Fox, U.S. responses to Iraqi violations of the no-fly zones were usually confined to the immediate source of the violation, i.e., an air defense battery or an intruding Iraqi aircraft. On January 27, 1999, authorities expanded rules of engagement to allow U.S. aircraft to target a wider range of Iraqi air defense systems and related installations in response to Iraqi violations of the no-fly zones. In congressional testimony on March 23, 2000, a Defense Department official said operational commanders have been given additional flexibility in responding to Iraqi provocations; under the current rules of engagement, pilots may respond not only by defending themselves but also by acting to reduce the overall Iraqi air defense threat to coalition aircraft.

Official Iraqi media reported on January 3, 1999 that President Saddam Hussein condemned the no-fly zones as illegal and said his people would resist them with "bravery and courage." The Iraqi President followed up by offering a \$14,000 bounty to any unit that succeeded in shooting down an allied plane and an additional \$2,800 reward for capturing an allied pilot. In an NBC interview carried on June 17, 2001, the Iraqi Ambassador to the United Nations said Iraq would do "anything possible to down American planes" and confirmed that the government had offered a reward to Iraqi military personnel who succeeded in doing so.

In a May 8, 2000 interview, the U.S. commander of Operation Northern Watch said Iraqi air defense weapons, which can reach altitudes of 40,000 feet, have the capability to hit U.S. aircraft. According to a July 24 press report, however, the newly designated commander responsible for the Southern Watch operation told the Senate Armed Services Committee that Iraqi air defense missiles are largely ineffective because they do not use their radar systems (which allied pilots can target) and because they must move frequently (approximately every 12 hours). On June 15, the commander of Iraqi air defense forces asserted that Iraq had succeeded in shooting down or intercepting 100 U.S. high-speed anti-radar missiles (HARM) used by allies to target Iraqi radar; however, allied sources dismissed the Iraqi claim. Similarly, allied officials state that no U.S. or British planes have been lost, despite Iraqi claims to the contrary. (On September 13, 2000, an Iraqi air defense spokesman asserted that Iraqi air defense units had shot down 10 allied aircraft since December 17, 1998.)

Iraq has claimed that allied air strikes have killed a number of Iraqi civilians. In a note to the U.N. Human Rights Commission released by U.N. officials on March 26, 2001, the Iraqi government protested that allied air strikes had killed 315 and wounded 965 Iraqis, all civilians; the note described the allied overflights as a violation of international law. Subsequently, the Iraqi Government claimed that a U.S.-British air strike on June 20, 2001



killed 23 Iraqis and injured 11 others participating in a soccer game near the city of Mosul in northern Iraq.

U.S. and British officials have denied some Iraqi reports of civilian casualties and have attributed others to the Iraqi practice of placing air defense weapons in close proximity to populated areas, thus using nearby residents as human shields. For example, on August 18, 1999, U.S. Defense Department officials said reconnaissance photographs showed two Iraqi missile launchers located 115 feet from homes in the northern city of Mosul. On at least one occasion, in May 1999, U.S. authorities reportedly acknowledged the likelihood that allied units had erroneously identified a civilian target as an air defense installation. Allied officials have dismissed some Iraqi complaints as distortions or fabrications; with regard to the alleged soccer casualties, for example, allied spokesmen said their aircraft had not carried out any air strikes on June 20 and suggested that any casualties or injuries that occurred may have been caused by misdirected Iraqi ground fire.

The year 2001 has seen what appears to be a more aggressive effort by Iraq to bring down an allied aircraft by upgrading its air defense capabilities and mounting more challenges against allied overflights. Iraq reportedly has succeeded in extending the range of some of its older model air defense missiles and has made its communications less vulnerable by installing fiber optic cable, reportedly with Chinese assistance. On July 31, 2001, U.S. Defense Department spokesman Rear Admiral Quigley told reporters that Iraq has shown “a considerably more aggressive stance in trying to bring down a coalition aircraft.” He noted continuing provocations by Iraq against allied aircraft over the two no-fly zones, especially in the southern zone, and allied retaliations (number of days on which allied aircraft have struck Iraqi targets in response):

- Southern Watch: 221 provocations in 2000 (18.4 per month); 370 in the first seven months of 2001 (30.8 per month).
- Northern Watch: 145 provocations in 2000 (12.1 per month); 62 in the first seven months of 2001 (8.9 per month).

In response, allied forces conducted strikes on Iraqi targets in the Southern Watch area on 32 days in 2000 and 19 days during the first 7 months of 2001; in the Northern Watch area, on 48 days in 2000 and 7 days during the first 7 months of 2001.

U.S. officials have acknowledged increased risks to allied pilots posed by Iraqi challenges and have made further efforts to counteract them. On June 4, 2001, U.S. Secretary of Defense Donald Rumsfeld told reporters that “there is a risk to pilots that fly in areas that are dangerous and defended.” He added that “[t]he risk grows to the extent that other nations assist Iraq in strengthening its military capability, its air defense capability and its ability to proceed with its clear and unambiguous desire to have increasingly powerful weapons and military capabilities.” On August 3, he said: “[i]t does appear that Iraq has been successful in quantitatively and qualitatively improving their air defenses.” According to news reports, allied strikes have been increasingly designed to set back recent improvements in Iraqi air defense capabilities.

**The February 2001 Strikes.** On February 16, between the hours of 11:20 a.m. and 1:40 p.m. Washington, D.C. time, 24 U.S. and British combat aircraft struck five Iraqi air defense command-and-control installations, using precision guided munitions. According to

a U.S. Defense Department spokesman, four of the five installations struck by the allied aircraft were located north of the 33<sup>rd</sup> parallel (the northern limit of the southern no-fly zone), but the aircraft themselves did not go north of the 33<sup>rd</sup> parallel. The spokesman noted that this was the first time since Operation Desert Fox that allied aircraft had hit targets outside the southern no-fly zone, although targets outside the northern zone had been struck during the fall of 1999.

According to press reports, one goal of the allied strikes was to destroy a fiber optic cable network that Chinese are reportedly installing to upgrade the effectiveness of Iraqi air defense radars. On March 6, China's foreign minister said relevant agencies had investigated these allegations and found no evidence that Chinese companies had assisted Iraq in installing fiber optic cables for Iraqi air defenses. A March 17 *Washington Post* article, citing U.N. documents and unidentified diplomats, reported that a Chinese company, Huawei Technologies, has been seeking U.N. approval to sell Iraq telecommunications equipment and switching systems.

Subsequent press reports indicated that many of the munitions fired by allied units had missed their targets; according to these reports, a majority of the AGM-154A Joint Stand-Off Weapons (JSOWs) dropped by U.S. aircraft went astray, although two other types of "smart weapons" (AGM-130 guided missiles and Stand-Off Land Attack missiles) achieved somewhat more success. These alleged problems have been attributed by press sources to several possible factors: human error in programming, heavy wind, software defects, mechanical failure, or jamming of signals by Iraqis; officials reportedly believe the first two explanations are the most likely. Defense spokesmen have declined to identify the munitions used in the strikes.

**Additional Strikes and Provocations.** Since February, allied forces have carried out several significant strikes against Iraqi air defense installations, including an Iraqi mobile early warning radar in southern Iraq on April 19, an air defense site in northern Iraq on April 20, an air defense installation 180 miles southeast of Baghdad on May 18, and an air defense site in northern Iraq on August 7. On August 10, in the largest air strike since February, U.S. and British aircraft hit three installations: a surface-to-air missile battery 170 miles southeast of Baghdad, an associated long-range mobile radar system, and a fiber optic communications station 70 miles southeast of Baghdad. Before this strike, on July 29, U.S. National Security Advisor Condoleezza Rice told CNN that the Administration is contemplating the use of "military force in a more resolute manner" and said that "Saddam Hussein is on the radar screen for the Administration."

Meanwhile, some observers believe Iraqi air defense forces may be improving their ability to target allied aircraft. On July 24, Iraqi forces fired a surface-to-air missile at a U.S. high altitude U-2 reconnaissance aircraft, and Defense Department sources reportedly said the missile came close to hitting the plane. On August 27, according to the U.S. Defense Department, a U.S. Air Force RQ-1B Predator – an unmanned aerial vehicle (UAV) – was reported missing over southern Iraq while on a routine mission in support of Operation Southern Watch. A Defense Department statement described the Predator as "one of many systems used for reconnaissance and surveillance to monitor Iraqi compliance with United Nations Security Council Resolutions." Iraqi media claimed that Iraq's air defense units successfully hit the UAV, while the U.S. Defense Department statement said the aircraft may have crashed or may have been shot down. According to the U.S. Defense Department, no

sensitive technology was compromised by the loss of the aircraft. Press reports have noted, however, that if the Iraqi claim is correct, it would be the first time that a U.S. aircraft involved in enforcing the Northern or Southern Watch Operations has been brought down by enemy fire. A U.S. military spokesman, commenting on the incident, said U.S. officials are aware of Iraqi efforts to bring down a manned allied aircraft.

## **Force Deployments and Costs**

### **The 1998 Build-Up**

U.S. force levels have fluctuated somewhat since the latest series of confrontations that began in the fall of 1997. During the mid-1990s, U.S. forces in the Persian Gulf region on an average comprised 15,000 to 20,000 personnel (many of them Navy and Marine Corps personnel embarked on ships), together with up to 200 aircraft and 20 ships, usually but not always including an aircraft carrier. The first phase of the crisis saw U.S. force levels increase to more than 40,000 personnel in late February and March, reinforced with British and other allied contingents. As the crisis receded later in the spring, forces were briefly drawn back down to their pre-1997 levels.

As the crisis worsened again in the fall of 1998, U.S. force levels in the Gulf began to climb once more. Additional deployments begun on November 11 were briefly halted after November 16, following cancellation of planned allied strikes in response to a last-minute understanding reached with Iraq. As Iraq failed to honor its November commitments, Secretary Cohen announced “a sharp increase in our forces in the Gulf” (approximately 24,100 personnel as of December 15). Cohen and General Shelton announced the deployment of a “crisis response force” consisting of nearly 60 additional Air Force and Marine jet fighters (including 10 F-117A radar-evading stealth fighters), additional Patriot missiles, elements of an Army brigade (some 2,700 troops), and a second aircraft carrier, the *U.S.S. Carl Vinson* with up to 60 Navy jet fighters, to the Gulf region. According to subsequent reports, up to 15,000 additional military personnel were deployed or ordered to the region. During Operation Desert Fox, Defense Department officials said U.S. force strength in the Gulf reached 29,900 on December 19, together with 37 ships and 348 aircraft.

### **After Desert Fox**

These forces were once more reduced after Operation Desert Fox was over, even though smaller scale military action continued. U.S. commanders pointed out that the lack of an effective Iraqi response to Desert Fox made the reinforcements unnecessary at this time, and said the United States would return to a normal continuous presence in the Gulf. Most U.S. personnel in the region, including those conducting Operation Southern Watch, are assigned to the U.S. Central Command (CENTCOM), whose area of responsibility covers large parts of the Middle East and portions of nearby northeastern Africa. U.S. forces conducting Operation Northern Watch are based in Turkey and assigned to U.S. European Command (EUCOM). The task forces responsible for enforcing the two no-fly zones are linked by a hot line and coordinate many of their operations. On September 12, 2000, a Defense Department official said that at any given time the United States has between 20,000 and 25,000 personnel in the region, most of them afloat. The total number of U.S. military aircraft (Navy and Air

Force) in the Gulf region has generally averaged about 200 in recent years. Ship totals vary; as of June 2001, the U.S. Navy had 20 ships (including one aircraft carrier and eight other combatants) in the Gulf region.. (See **Table 1** for recent figures on U.S. troop strength in the Gulf region.)

As of August 1999, Britain had 1,400 military personnel, a supply ship, and 26 military aircraft in the Gulf region, including 12 Tornado GR-1 bombers operating out of Kuwait and 6 Tornado air defense aircraft in Saudi Arabia. A more recent news report, on October 25, 2000, places British personnel strength in the Northern Watch area of operations at 162. This figure does not include British personnel in the Southern Watch area.

**Table 1. U.S. Force Levels in Persian Gulf Region**

Country/Area	Total	Army	Navy	Marine Corps	Air Force
Bahrain	949	33	734	155	27
Kuwait	4,602	2,235	10	36	2,321
Oman	251	2	60	10	179
Qatar	52	36	1	0	15
Saudi Arabia	7,053	770	325	63	5,895
United Arab Emirates	402	0	7	8	387
Afloat*	14,772	0	14,772	0	0

**Source:** Department of Defense, as of September 30, 2000.

\*This figure includes other areas not in the immediate vicinity of the Persian Gulf.

## Costs

A Defense Department spokesman told reporters on November 17, 1998 that expanded military operations and crisis build-ups in the Gulf since the war in 1991 had cost a total of \$6.9 billion. Much of this figure represents the costs of enforcing the no-fly zones over northern and southern Iraq. Following are costs estimates for several other crisis build-ups and retaliatory operations undertaken by the United States between 1991 and 1997.

- Troop movements and retaliatory strikes against Iraq, December 1992-January 1993: \$400 million
- Troop deployments to counter Iraqi force movements, October 1994 (Operation Vigilant Warrior): \$257 million (partially defrayed by Kuwait and Saudi Arabia)
- Retaliatory strikes following Iraqi incursion into protected northern zone, August-September 1996 (Operation Desert Strike): \$102.7 million.

Incremental costs of U.S. operations in the Persian Gulf since FY1997 appear in **Table 2**, below.

Britain, according to an August 23, 1999 *London Times* report, is spending approximately 4.5 million pounds (\$7.19 million at exchange rate of U.K. 1 pound=U.S. \$1.5974) per month on its deployments in the Gulf.

**Table 2. Costs of Persian Gulf Operations**  
(in U.S. \$ millions)

Operation	FY1998	FY1999	FY2000	FY2001*
Southern Watch	1,497.2	954.8	755.4	678.0
Northern Watch	136.0	156.4	143.6	138.7
Desert Spring (Kuwait training)**	5.6	13.8	239.8	241.8
Desert Thunder (Nov. 1998 build-up)	n/a	43.5	n/a	n/a
Desert Fox (Dec. 1998 air strikes)	n/a	92.9	n/a	n/a
<b>Totals</b>	<b>1,638.8</b>	<b>1,261.4</b>	<b>1,138.8</b>	<b>1,058.5</b>

**Source:** Department of Defense, Comptroller.

\*Estimate.

\*\*Known as Intrinsic Action until FY2000.

## U.S. and International Reactions

### Administration Position on Use of Force

U.S. administrations have taken the position that they already have sufficient authority to use military force to compel Iraqi compliance. On February 3, 1998, during an earlier phase of the present confrontation, Clinton Administration officials reportedly cited the joint resolution passed by Congress on the eve of the 1991 Gulf war (P.L. 102-1) as the basis for this authority. P.L. 102-1 has no expiration date, and some specialists in international law agree that this law provides sufficient authority to U.S. administrations to use force against Iraq.

In the international context, the United States believes that two previous U.N. Security Council resolutions provide sufficient authority to use force against Iraq: Resolution 678 (November 29, 1990), which authorized military action after Iraq's invasion of Kuwait, and Resolution 687 (April 3, 1991), which made a cease-fire conditional on Iraqi compliance with various specified terms, including the inspection and dismantling of Iraq's lethal weapons programs. U.N. Security Council Resolution 1154 of March 2, 1998 (see above) does not specifically mention the use of force, but warns Iraq of "severest consequences" for violation. In a news conference on March 11, President Clinton said "We believe that the resolution gives us the authority to take whatever actions are necessary. But, of course, we would consult [with other Security Council members]." Subsequently, U.N. Security Council Resolution 1205 of November 5, 1998 condemned Iraq's refusal to cooperate with UNSCOM

as a “flagrant violation” of Resolution 687 and other relevant agreements, and expressed full support for efforts by the Secretary General to seek full implementation of the February 23 agreement. Other members of the Security Council, however, with the notable exception of Britain, do not believe that the wording of recent U.N. Security Council resolutions provides an automatic trigger authorizing military force.

## **Congressional Reactions**

Congress has been largely supportive of Administration efforts to compel Iraqi compliance with U.N. resolutions. Some Members have argued for even stronger measures against Iraq, although others believe the Administration should seek further congressional authorization before engaging in any significant escalation of hostilities. Congress has also appropriated funds to defray the cost of increased U.S. force deployments to the Gulf since 1997 (see CRS Report 98-386, *Iraq: Post-War Challenges and U.S. Responses, 1991-1998*, updated March 31, 1999, for further information on costs and appropriations).

Some Republican Members of Congress questioned the timing of the Clinton Administration’s decision to launch the strikes in December 1998, noting that the decision coincided with the floor debates in the House on impeachment of then President Clinton. The President denied that issue of impeachment was related to his decision to launch air strikes, and said the timing was dictated by the need for surprise, along with his desire to avoid starting hostilities during the month of Ramadan. On December 17, 1998, the House of Representatives passed H.Res. 612, expressing unequivocal support for the men and women of our Armed Forces carrying out missions in the Persian Gulf region, and supporting efforts to remove Saddam Hussein from power, by 417 to 5, with one voting “present” (Roll No. 539).

## **International Reactions**

International reactions to U.S. reprisals against Iraq have been mixed and have varied according to the nature of the crisis that precipitated a U.S. military response. On the whole, altered international conditions have caused some erosion since 1991 in international support for the use of force against Iraq. Contributing factors include U.S.-Russian tensions, Arab disillusionment with broader U.S. Middle East policies, diminished Arab concerns over a potential threat from Iraq, and increasing sympathy for the sufferings of the Iraqi people.

Most European allies supported Desert Fox, as did Japan, South Korea, Australia, and Canada. Britain, on its part, has continued to participate in U.S. military actions against Iraq and, along with the United States, takes the position that existing U.N. resolutions provide the necessary legal basis for such action. France, on the other hand, regretted the air strikes and China and Russia condemned them. France also suspended its participation in the allied overflights of southern Iraq. The latter three countries have continued to criticize the U.S.-British retaliatory responses to Iraqi challenges in the no-fly zones since December 1998. Criticism increased after the February 16, 2001 allied strikes on Iraq’s air defense installations. According to the Kremlin, Russian President Vladimir Putin described the strikes as “counter-productive for the process of a political settlement” and the French Foreign Minister said there was “no legal basis for this type of bombardment.” Turkey’s Prime Minister said “[t]he U.S. Administration should have informed us beforehand” of the strikes. In east Asia, Japan declined either to endorse or to criticize the strikes, but South

Korea's national news agency warned that the "policy of strangling Iraq" has failed to achieve its goals. Meanwhile, according to a U.S. official, the U.S. State Department has been in touch with China about reports of Chinese assistance in upgrading Iraqi air defense units.

Most Arab leaders were restrained in their comments on the December 1998 strikes, but hostile demonstrations took place in several countries including Egypt, Jordan, Yemen, Palestinian areas, and Syria (where they briefly turned violent). The 55-member Islamic Conference Organization appealed for a halt to the attacks on Iraq. Kuwait and Oman, alone among the six pro-western Gulf states, allowed U.S. and British combat aircraft to launch strikes from bases on their territory. The other four, Saudi Arabia, Bahrain, Qatar, and the United Arab Emirates (UAE), allowed support operations and including air space clearance and take-off by refueling planes. Saudi Arabia expressed hopes that the strikes would end quickly, and the UAE Defense Minister went so far as to say "the option of force should not even have been considered, as the only ones who suffer are the Iraqi people." On December 30, 1998, Saudi Defense Minister Prince Sultan reaffirmed that Saudi Arabia would not agree to air strikes from its territory, but called on Iraq to implement U.N. Security Council resolutions.

Arab countries have reacted ambivalently to follow-on allied military operations against Iraq during 1999 and 2000. Gulf states have not publicly endorsed U.S. responses to Iraqi challenges in the no-fly zones and Qatar's foreign minister expressed concern during a joint news conference with then Secretary of Defense Cohen on March 9, 1999, commenting that "We do not wish to see Iraq bombed daily or these attacks which are being made in the no-fly zones." An Arab League foreign ministers' meeting on March 18 called for an end to all operations against Iraq not backed by the U.N. Security Council, but urged all countries to abide by Security Council resolutions in "spirit and letter." A year later, on April 9, 2000, Saudi Minister of Defense Prince Sultan made the following statement in a news conference:

... the [U.S.] troops which have been in Saudi Arabia since the end of Desert Storm are within the frame of United Nations assignments and directions to continue the surveillance of southern Iraq, and also the border of Kuwait and Saudi Arabia, as well as the other GCC countries. And these troops are doing their duties to protect peace only, and not for aggression.

Saudi officials continue to cite provocations by Iraq. On June 4, 2001, the Saudi Ambassador to the United Nations charged that Iraq had staged 11 raids on Saudi border outposts during recent months.

Arab governments, including those friendly to the United States, denounced the allied strikes conducted against Iraqi air defense installations on February 16, 2001. The Secretary General of the Arab League stated that the raid "has no justification, violates international law, and has provoked anger and resentment in the Arab world." Egypt's Foreign Minister called the raid "a serious negative step that we cannot accept," while his Jordanian counterpart said Jordan "never condones the use of military force against Iraq." Saudi Arabia initially withheld official comment and a senior Saudi official said his country was not previously informed of the strikes. On February 21, however, Saudi Foreign Minister Prince Saud al-Faysal during a visit to Damascus issued a joint statement with the Syrian Foreign Minister that "[b]oth sides expressed feelings of denunciation and anxiety over the recent escalation against south Baghdad." In nearby Oman, the Minister of State for Foreign Affairs

commented that “[t]hose attacks will not benefit regional security or negotiations and discussions.”

**Challenges to the Civil Air Embargo.** In August 2000, European and Arab states began to challenge a long-standing ban on civilian flights to Iraq. This ban has been based on U.N. Security Council Resolution 670, which requires member states to prohibit cargo flights to Iraq from their territory, unless the plane is carrying humanitarian food authorized by the U.N. Sanctions Committee or medical supplies. The United States interprets Resolution 670 as banning passenger flights to Iraq as well, but France, Russia, and most Arab states disagree. Since August, approximately 15 countries have sent flights to Iraq carrying food, medical supplies, and delegations including politicians, artists, and businessmen. Some Arab states have obtained permission from the U.N. Sanctions Committee; others have merely informed the committee. France and Russia have taken the position that they are under no obligation to receive U.N. clearance for such flights. Russia has mentioned plans to resume civil air service to Iraq; Jordan announced on June 5, 2001 that it was beginning twice weekly flights to Baghdad; and on June 18, a representative of a Turkish travel company said the company would start flights to Baghdad on a trial basis.

## Plans and Alternatives

Military options present various challenges. Shipborne missile strikes against selected Iraqi targets incur relatively few risks and have the added advantage of not requiring overflight permission or logistical support from Gulf allies; however, missile strikes have had only limited effects in the past. Supplementing missile strikes with a more massive bombing campaign could succeed in destroying some key military organizations, weapons production facilities, and command and logistical installations, as in the recent Desert Fox operation. A bombing campaign, however, entails risks to U.S. pilots and aircrews, inflicts more civilian casualties, and elicits significant opposition within the Arab world. A further limiting factor is the unwillingness of Saudi Arabia and some other Gulf states to permit air strikes from their territory. Operation Desert Fox, which combined missile strikes and a bombing campaign, was more extensive than any of the previous post-1991 confrontations, but some analysts still feel that it represented a limited operation producing limited results.

After Operation Desert Fox, the Clinton Administration seemed to adopt a policy of limited escalation, including responses to Iraqi challenges in the no-fly zones through low-level aerial bombardment and missile strikes. On March 1, 1999, commenting on the expanded rules of engagement governing allied military action against Iraq, then Secretary of Defense Cohen told reporters that U.S. pilots “have been given greater flexibility to attack those systems which place them in jeopardy” and added that pilots can go after command, control, and communications centers as well as simply respond to provocation from an anti-aircraft or air defense missile site. The Bush Administration appears to have continued this policy. In describing the allied air strikes against Iraqi air defense installations on February 16, 2001, a Defense spokesman said such strikes on targets outside the no-fly zones are not routine, but they do occur occasionally “as part and parcel to protecting our aircraft.” Press reports indicate that concerns reportedly registered by senior U.S. commanders regarding overflights of Iraq will be considered in a wider review of Iraq policy under way in the Bush Administration.



Some commentators have suggested that, in addition to targeting Iraq's air defense capability, the allied strikes serve as a psychological weapon against key Iraqi commanders and military units. According to this theory, the strikes are designed to send a message that the regime is vulnerable and that Iraqi attempts to shoot down an allied pilot will backfire. Iraq, on its part, seems to be trying to achieve that goal by luring U.S. or British aircraft within range of Iraqi air defense batteries. U.S. officials, quoted in a February 1, 2000 press report, emphasized that a U.S. attack (presumably on the scale of Desert Fox) did not appear imminent, but warned that Iraq should not cross three "red lines": a threat against a neighboring country (Kuwait or Saudi Arabia); an attack on the Kurdish minority in northern Iraq; or reconstitution of nuclear, chemical, or biological weapons programs. U.S. Ambassador-at-Large David Scheffer, in a briefing on August 2, 2000, warned that the United States "would take an appropriate response" if Iraq should "come uninvited into the north." As noted above, however, Defense Department officials dismissed the Iraqi incursion into the Kurdish enclave on December 9, 2000, as a short-lived troop movement that did not involve any attacks on Kurdish targets.

Ground action, which would probably be necessary if the U.S. government should seek to overturn the Iraqi regime, would not be feasible without more widespread allied support than currently exists; neither Saudi Arabia nor any other neighboring country is likely to permit the United States to stage a ground invasion of Iraq from its territory. A ground invasion would be costly, particularly if the object were to unseat the incumbent regime.

Members of Congress from both parties have expressed support for military action against Iraq. Some have suggested that diplomatic efforts have been exhausted and that failure to retaliate will embolden Saddam to mount more serious challenges. At the same time, others have expressed concern over the burdens placed on U.S. Air Force assets by continuing air operations over Iraq, as well as the risks to pilots in the event of a mechanical failure or a successful hit by an Iraqi air defense unit. There have been suggestions to scale back the U.S. presence in the Gulf and rely more on long-range power projection capabilities. According to a *Chicago Tribune* article on March 29, 2001, U.S. Army General Tommy R. Franks, Commander of Central Command, presented Secretary Rumsfeld and his deputy with four options: (1) continue with current enforcement of no-fly zones over Iraq, (2) increase combat strikes, (3) reduce combat flights while increasing reconnaissance (possibly with the use of satellites), or (4) eliminate enforcement entirely. General Franks reportedly told the House Armed Services Committee on March 28, however, that "[e]nforcement of the no-fly zones will remain a dangerous but necessary business." In a subsequent press interview, he recommended that the no-fly zones continue in some form, pointing out that as long as the United States has vital interests in the region and remains concerned over the threat of mass destruction weapons, "it will be necessary to keep Saddam [Hussein] in his box."

U.S. officials and analysts have suggested various other options that could be used in conjunction with or as a substitute for a conventional military attack. These options include further curtailments on Iraqi military activity, more emphasis on unconventional warfare, or more active support for anti-government militia or other opposition groups in their efforts to topple the regime of Saddam Hussein. For example, the United States could consider extending the two no-fly zones imposed by the allies over northern and southern Iraq to cover the entire country, coupled with a ban on helicopter flights and imposition of "no-drive" zones forbidding movement of Iraqi armored forces in designated areas. To enforce such measures, however, the United States and its allies would have to allocate more assets, incur greater

risks, and deal with further challenges by Iraq. Another approach would involve covert action against the Iraqi regime, combined with an expanded program to buttress the efforts of opposition groups. (For more information, see CRS Report RS20843, *Iraq: U.S. Efforts to Change the Regime*, by Kenneth Katzman.) Many analysts believe the opposition is too fragmented and lacking in support within the Iraqi heartland to be effective, and cite the failure of previous efforts to build a viable opposition in Iraq. Others maintain that the United States has provided insufficient support to opposition groups and missed key opportunities to further their efforts.

## FOR ADDITIONAL READING

CRS Issue Brief IB92117. *Iraqi Compliance with Cease-Fire Agreements*, by Kenneth Katzman.

CRS Report 98-386. *Iraq: Post-War Challenges and U.S. Responses, 1991-1998*, by Alfred B. Prados.

CRS Report RS20843. *Iraq: U.S. Efforts to Change the Regime*, by Kenneth Katzman.

**Table 3. Comparative Military Strengths and Inventories: Gulf States**

Country	Military Personnel	Tanks	Other Armored Vehicles	Field Artillery		Attack Heli-copters	Combat Aircraft	Naval Units	
				Towed	Self-Propelled			Surface Combat-ants	Sub-marines
Saudi Arabia	183,500	910	5,017	260	200	33	417	8	0
United Arab Emirates	65,000	331	1,178	93	177	49	101	2	0
Oman	43,500	117	284	91	24	0	40	0	0
Kuwait	15,300	293	545	0	41	20	82	0	0
Qatar	12,330	44	284	12	28	19	18	0	0
Bahrain	11,000	106	411	36	62	40	34	1	0
<i>Total: Allies</i>	<i>330,630</i>	<i>1,801</i>	<i>7,719</i>	<i>492</i>	<i>532</i>	<i>161</i>	<i>692</i>	<i>11</i>	<i>0</i>
Iraq	429,000	2,200	4,400	1,900	150	120	316	0	0
Iran	513,000	1,135	1,145	1,950	290	129	296*	3	5

**Source:** International Institute for Strategic Studies, *The Military Balance 2000-2001*. (Note: Figures shown here do not include materiel believed to be in storage and inoperable.)

\* Includes aircraft flown from Iraq to Iran during 1991 Gulf war.

# CRS Issue Brief for Congress

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## **Iraq: Compliance, Sanctions, and U.S. Policy**

**Updated August 23, 2001**

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Foreign Affairs, Defense, and Trade Division

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## Iraq: Compliance, Sanctions, and U.S. Policy

### SUMMARY

In recent years, the United States has been unable to maintain an international consensus for strict enforcement of all applicable U.N. Security Council resolutions on Iraq, but it has largely succeeded in preventing Iraq from reemerging as a strategic threat to the region. During 1991-1998, a U.N. Special Commission on Iraq (UNSCOM) made considerable progress in dismantling and monitoring Iraq's mass destruction weapons (WMD) programs but was unable to finish verifying Iraq's claim that it has destroyed all its weapons of mass destruction or related equipment. Iraq's refusal of full cooperation with UNSCOM eventually prompted U.S.-British military action in December 1998. All inspectors withdrew and Iraq has been uninspected and unmonitored since, leaving the Security Council uncertain as to whether Iraq has reconstituted its WMD programs.

On November 10, 1994, as required, Iraq accepted the U.N.-designated land border with Kuwait, (confirmed by Resolution 833) as well as Kuwaiti sovereignty. Iraq claims that, after the 1991 war, it lost track of the more than 600 Kuwaitis still missing, and it denies possessing any more Kuwaiti property taken during the war. Neither of these claims is considered credible by the international community. Iraq rejected a 1991 U.N.-sponsored "oil-for-food" program to address humanitarian needs, but it later accepted a revised version of that plan, which has been operational since December 1996.

Iraq's compliance in other areas, especially human rights issues, is still widely deemed unsatisfactory. A U.S.-led no-fly zone has provided some protection to Kurdish northern Iraq since April 1991. Since August 1992, a no-fly zone has been enforced over southern Iraq, where historically repressed Iraqi Shiites are concentrated. The zone was expanded in August 1996, but Iraq nonetheless maintains a substantial presence of ground troops and security forces in the south. Iraq began openly challenging both no-fly zones in late December 1998, and it is stepping up its efforts to try to down a U.S. combat aircraft.

In late 1998, the Clinton Administration publicly added a major new dimension to U.S. Iraq policy – openly promoting a change of regime. Accomplishing this additional U.S. objective is considered risky and difficult, and not openly supported by many other governments. The Bush Administration appears to be building largely on the Clinton Administration's Iraq policy framework, but the Administration says that rebuilding support for containment requires easing purely civilian sanctions. The opening of a diplomatic dialogue with Baghdad (the United States suspended relations with Iraq in January 1991) has not been under consideration, although Iraq has sought talks with the United States.

## MOST RECENT DEVELOPMENTS

*In early June and again on July 3, 2001, the U.N. Security Council was unable to reach final agreement on a U.S. plan to ease the flow of civilian goods to Iraq and reduce illicit trade with Iraq. Various legislation in the 107<sup>th</sup> Congress seeks to compensate U.S. victims of Iraqi aggression (H.R. 1632), to loosen regulations on U.S. exports to Iraq (H.R. 742), and to bar U.S. imports of Iraqi oil (S.1170).*

## BACKGROUND AND ANALYSIS

In forty reviews (at 60-day intervals) of Iraqi compliance from the end of the Gulf war in 1991 until August 20, 1998, the U.N. Security Council maintained comprehensive international sanctions on Iraq's imports and exports. The primary ceasefire resolution is Security Council Resolution 687 (April 3, 1991), requiring Iraq to end its weapons of mass destruction programs, recognize Kuwait, account for missing Kuwaitis, return Kuwaiti property, and end support for international terrorism. Iraq is required by Resolution 688 (April 5, 1991) to end repression of its people. (See also CRS Report RL30472, *Iraq: Oil-for-Food Program*; CRS Report RS20843, *Iraq: U.S. Efforts to Change the Regime*; and CRS Report RL30728, *Persian Gulf: Issues for U.S. Policy, 2000.*)

### Weapons of Mass Destruction (WMD)

A U.N. Special Commission (UNSCOM), chaired during July 1, 1997 - June 30, 1999 by Australian disarmament official Richard Butler (succeeding Rolf Ekeus), and the International Atomic Energy Agency (IAEA) attempted to verify that Iraq had ended all its prohibited WMD programs and to establish a long-term monitoring program to ensure that Iraq remains free of WMD (Resolution 715, October 11, 1991). The monitoring program, accepted by Iraq in November 1993, consisted of visitations and technical surveillance of about 300 sites. Under Resolution 1051 (March 27, 1996), UNSCOM conducted inspections (at point of entry and at end-use destination) of Iraqi imports of any dual use items.

Confrontations over access to suspected WMD sites began almost as soon as UNSCOM began operations in April 1991, prompting adoption of Resolution 707 (August 15, 1991), requiring unfettered access to all sites and disclosure by Iraq of all its WMD suppliers. During March 1996 - October 1997, Iraq impeded inspectors from entering Iraqi security service and military facilities, and it interfered with some UNSCOM flights. These actions prompted Resolution 1060 (June 12, 1996) and other Council statements (such as on June 13, 1997) demanding Iraqi cooperation. Resolution 1115 (June 21, 1997) threatened travel restrictions against Iraqi officials committing the infractions. Resolution 1134 (October 23, 1997) again threatened a travel ban and suspended sanctions reviews until April 1998. (France, Russia, China, Egypt, and Kenya abstained.)

**1997-1998 Crises.** Six days after that vote, Iraq barred American UNSCOM personnel from conducting inspections and, on November 13, 1997, expelled the Americans.

Resolution 1137 (adopted unanimously November 12, 1997), imposed travel restrictions on Iraqi officials. (On November 13, 1997, the House adopted H.Res. 322, backing unilateral U.S. military action as a last resort. The Senate did not act on a similar resolution, S.Con.Res. 71, because some Senators wanted it to call for the United States to overthrow Saddam Husayn.) In November 1997 and February 1998, Russia and U.N. Secretary General Kofi Annan, respectively, brokered temporary compromises that enabled UNSCOM to resume operations in Iraq. The February 23, 1998 U.N.-Iraq agreement provided for access to eight “presidential sites” by UNSCOM inspectors and diplomatic observers. Security Council Resolution 1154 (March 2, 1998) accepted that agreement, threatening “the severest consequences” if Iraq reneged. Iraq allowed presidential site inspections (1,058 buildings) during March 26-April 3, 1998, and the United States agreed to lift the travel ban on Iraqi officials and to resume sanctions reviews.

Iraq subsequently refused to implement an UNSCOM plan for completing its work and, on August 5, 1998, barred UNSCOM from inspecting new facilities. The Senate and House passed a resolution, S.J.Res. 54 (P.L. 105-235, signed August 14, 1998), declaring Iraq in “material breach” of the ceasefire. On September 9, 1998, the Security Council unanimously adopted Resolution 1194, suspending sanctions reviews. On October 30, 1998, the Security Council offered an easing of sanctions if Iraq fulfilled WMD and other outstanding requirements, but Iraq demanded an immediate end to sanctions and it ceased cooperation with UNSCOM (but not the IAEA). The U.N. Security Council unanimously adopted Resolution 1205 (November 5, 1998), deeming the Iraqi action a “flagrant violation” of the February 1998 U.N.-Iraq agreement. On November 14, 1998, with the United States about to launch airstrikes, Iraq pledged to resume cooperation, narrowly averting U.S. air strikes but prompting President Clinton to openly declare a U.S. policy of regime change.

**Operation Desert Fox and Aftermath.** After a month of testing Iraq’s cooperation, UNSCOM said on December 15, 1998 that Iraq refused to yield known WMD-related documents and that it was obstructing inspections; the IAEA did not issue similar complaints. All inspectors withdrew and a 70-hour U.S. and British bombing campaign followed (Operation Desert Fox, December 16-19, 1998), directed against Iraqi WMD-capable facilities and military and security targets. The United States claimed success in degrading Iraq’s WMD production capabilities.

Lacking a consensus on how to restart inspections, in January 1999 the Security Council established three panels to review: (1) WMD dismantlement; (2) humanitarian needs; and (3) missing Kuwaitis and Kuwaiti property. Their recommendations formed the basis of U.N. Security Council Resolution 1284 – adopted December 17, 1999, by a vote of 11-0 (Russia, France, China, and Malaysia abstained). Resolution 1284 provided for the suspension of most sanctions if Iraq fully cooperates with a new WMD inspection body (UNMOVIC, U.N. Monitoring, Verification and Inspection Commission), although the Resolution would continue to subject Iraq’s revenues to undefined financial controls, exports of dual use items to Iraq would still require U.N. approval, and arms exports would remain banned.

In January 2000, the Security Council agreed on former IAEA director Hans Blix to head UNMOVIC. His organizational plan was adopted on April 13, 2000, and he reported in August 2000 that UNMOVIC was ready to begin preliminary activities in Iraq. However, Iraq has refused to allow UNMOVIC to begin work in Iraq. During February 26-27, 2001, Iraq conducted talks with the U.N. Secretary General about restarting inspections, but the



talks yielded only an agreement to continue those discussions in the future. The Bush Administration, as well as UNMOVIC, has said that resuming inspection remains a key goal, but that technical surveillance measures might be an acceptable substitute, at least in the interim. U.S. reports since 1999 note that Iraq is rebuilding facilities capable of producing WMD, but add that there is no hard evidence that Iraq is reconstituting banned WMD programs at these facilities. Secretary of State Powell said on March 24, 2001 that Iraq is assumed to be rebuilding WMD but that, thus far, Iraq lacked the capability to be “exceptionally threatening” to the region. A *Jane’s Defence Weekly* report of July 25, 2001, says Iraq has been obtaining spare parts for fighter jets and helicopters from Belarus, Ukraine, and the former Yugoslavia, even though it is barred from importing arms.

The following sums up the status of disarmament efforts in Iraq and outstanding issues.

## **Nuclear Program**

During 1991-1994, despite Iraq’s initial declaration that it had no nuclear weapons facilities or unsafeguarded material, UNSCOM/IAEA uncovered and dismantled a previously-undeclared network of about 40 nuclear research facilities, including three clandestine uranium enrichment programs (electromagnetic, centrifuge, and chemical isotope separation) as well as laboratory-scale plutonium separation program. Inspectors found and dismantled (in 1992) Iraq’s clandestine nuclear weapons development program, and they found evidence of development of a radiological weapon, which scatters nuclear material without an explosion. No radiological weapon was ever completed, but there is debate over whether Iraq ever tested such a device. UNSCOM removed from Iraq all discovered nuclear reactor fuel, fresh and irradiated. Following the defection of Husayn Kamil (Saddam’s son-in-law and former WMD production czar) in August 1995, Iraq revealed it had launched a crash program in August 1990 to produce a nuclear weapon within one year, and that it had planned to divert fuel from its reactors for a nuclear weapon.

The IAEA, before it ceased work in Iraq, said that Iraq’s nuclear program had been ended and that it had a relatively complete picture of Iraq’s nuclear suppliers. A May 15, 1998 Security Council statement reflected a U.S.-Russian agreement to close the nuclear file if Iraq cleared up outstanding issues (nuclear design drawings, documents, and the fate of some nuclear equipment), but an IAEA report of July 1998, indicated that some questions still remained. The United States did not agree to close the file. In early 2000 and again in early 2001, as part of Iraq’s commitments under the 1968 Nuclear Nonproliferation Treaty, IAEA inspectors verified that several tons of uranium remained sealed. However, in May 2000, the IAEA destroyed an Iraqi nuclear centrifuge that Iraq had stored in Jordan in 1991. The IAEA said in an October 2000 report that the absence of an inspections program creates uncertainty about Iraqi nuclear activities, even though only a few questions about Iraq’s nuclear program remain. The United States believes that Iraq retains the expertise (about 7,000 scientists and engineers) and intention to rebuild its nuclear program.

## **Chemical Weapons**

UNSCOM destroyed all chemical weapons materiel uncovered — 38,500 munitions, 690 tons of agents, 3,000 tons of precursor chemicals, and 426 pieces of production equipment items — and the destruction operation formally ended on June 14, 1994. However, the fate of about 31,600 chemical munitions, 550 mustard gas bombs, and 4,000 tons of chemical

precursors, remains unknown. Iraq refused to yield an Air Force document, found in July 1998 by UNSCOM, that could explain their fate, although Iraq allowed UNSCOM to take notes from it. In February 1998 UNSCOM discovered that shells taken from Iraq in 1996 contained 97% pure mustard gas, raising the possibility that it was freshly produced.

The primary remaining chemical weapons questions center on VX nerve agent, which Iraq did not include in its initial postwar declarations and of which no stockpile was ever located. By 1995 UNSCOM had uncovered enough circumstantial evidence to force Iraq to admit to producing about 4 tons of VX, but UNSCOM believed that Iraq had imported enough precursor – about 600 tons – to produce 200 tons of the agent. In late June 1998, UNSCOM revealed that some unearthed missile warheads, tested in a U.S. Army lab, contained traces of VX, contradicting Iraq's assertions that it had not succeeded in stabilizing the agent. Separate French and Swiss tests did not find conclusive evidence of VX. About 170 chemical sites were under long-term monitoring. Iraq has not signed the Chemical Weapons Convention that took effect April 29, 1997. Recent U.S. government reports to Congress, including a Defense Department report in January 2001, have said Iraq has rebuilt some commercial chemical plants that could be easily converted to chemical weapons production. A *New York Times* report of January 22, 2001 cited a resumption of activity at facilities that previously produced chemical and biological weapons, but added that there is no firm evidence that the plants' products (pesticides, herbicides, and chlorine) are for WMD.

## Biological Weapons

Iraq did not declare any biological materials, weapons, research, or facilities in its initial declaration to UNSCOM in April 1991, and no biological stockpile was ever uncovered. UNSCOM focused initially on the major research and development site at Salman Pak (gutted and partially buried by Iraq shortly before the first inspection began) and later on the Al Hakam facility south of Baghdad (dismantled by UNSCOM June 20, 1996). In August 1991, Iraq admitted that it had a biological weapons research program. In July 1995, Iraq modified its admission by acknowledging it had an offensive biological weapons program and that it had produced 19,000 liters of botulinum, 8,400 liters of anthrax, and 2,000 liters of aflatoxin and clostridium. In August 1995, Iraq confessed to having produced 191 biological bombs, of which 25 were missile warheads, loaded with anthrax, botulinum, and aflatoxin for use in the Gulf war, but Iraq claims to have destroyed the bombs after the Gulf conflict. UNSCOM monitored 86 biological sites during 1994 - 1998.

UNSCOM's position was that Iraq's biological declarations were not credible or verifiable. According to UNSCOM, Iraq imported a total of 34 tons of growth media for producing biological agents during the 1980s, of which 4 tons remain unaccounted for. UNSCOM still lacked information on Iraq's development of drop tanks and aerosol generators for biological dissemination, as well as the fate of the biological munitions. In early April 2001, Iraq wrote to Secretary General Annan that it plans to refurbish the Doura laboratory, destroyed by UNSCOM in 1996 on the grounds it could be used for biological weapons. Iraq says it needs the plant to produce vaccines against foot and mouth disease.

## Ballistic Missiles

U.N. Security Council Resolution 687 requires the destruction of all Iraqi ballistic missiles with a range greater than 150 kilometers. UNSCOM accounted for 817 of 819

Soviet-supplied Scud missiles, 130 of which survived the Gulf war, as well as all 14 declared mobile launchers and 60 fixed launch pads. U.S. and British analysts, contrary to UNSCOM's assessments, believe Iraq might be concealing 10 to 12 Russian-supplied Scud-type missiles. UNSCOM's last regular report (October 1998) said it had been able to account for at least 43 of the 45 chemical and biological (CBW) warheads Iraq said it unilaterally destroyed in 1991. (The warheads were unearthed in mid-1998.) An additional 30 chemical warheads were previously destroyed under UNSCOM supervision. UNSCOM also accounted for all but 50 conventional Scud warheads, and said it had made progress toward establishing a material balance for Scud engine components. Unresolved issues include accounting for missile program documentation, 300 tons of special missile propellant, and indigenous missile production (30 indigenously-made warheads and 7 missiles).

In December 1995, after Jordan reported seizing 115 Russian-made missile guidance components allegedly bound for Iraq, UNSCOM said Iraq had procured some missile components since 1991, a clear violation of sanctions. (That month, UNSCOM retrieved prohibited missile guidance gyroscopes, suitable for a 2,000 mile range missile, from Iraq's Tigris River, apparently procured from Russia's defense-industrial establishment.) UNSCOM also had evidence that Iraq, after the Gulf war, conducted secret flight tests and conducted research on missiles of prohibited ranges. Iraq is continuing to develop permitted-range (under 150 km) missiles (Ababil and Samoud missile programs), and, prior to Desert Fox, UNSCOM had been monitoring about 63 missile sites and 159 items of equipment, as well as 2,000 permitted missiles. U.S. military officials said after Desert Fox that the bombing had set back Iraq's missile program by two years, damaging short-range missile production facilities including Taji, Ibn al-Haythim, Al Kindi, and Al Karama. However, this assessment was contradicted by a *New York Times* report of July 1, 2000, that Iraq had resumed flight tests of the Samoud missile as of May 1999. On July 2, 2001, Iraq fired an air defense missile at a U.S. combat aircraft using ballistic missile technology.

## Human Rights/War Crimes Issues

U.S. and U.N. human rights reports since the Gulf war have repeatedly described Iraq as a gross violator of human rights. In 1994, the Administration said it might, at some point, present a case against Iraq to the International Court of Justice under the 1948 Genocide Convention. U.N. Rapporteur for Iraq Max Van der Stoep's February 1994 report said that Convention might be violated by Iraq's abuses against the Shiite "Marsh Arabs" in southern Iraq, including drainage of the marshes where they live. On July 10, 2001, Iraq said it was ready for a dialogue with the U.N. Human Rights Commission about its human rights record. (See CRS Report 94-320, *Iraq: Marsh Arabs and U.S. Policy*)

**War Crimes Trial.** U.N. Security Council Resolution 674 (October 29, 1990) calls on all states or organizations with substantiated information of Iraqi atrocities to provide such information to the United Nations. The Foreign Relations Authorization Act for FY1992, (P.L. 102-138, October 28, 1991, section 301) stated the sense of Congress that the President should propose to the U.N. Security Council a war crimes tribunal for Saddam Husayn. In later years, similar legislation was passed by one or both chambers, including H.Con.Res. 137, (passed the House November 13, 1997); S.Con.Res. 78, (passed the Senate March 13, 1998); and a provision of the Iraq Liberation Act (P.L. 105-338, signed October 31, 1998).

In the aftermath of the Persian Gulf war, the U.S. Army conducted research into possible war crimes; the report was released on March 19, 1993, after Clinton took office. Since April 1997, the Administration has supported INDICT, a private organization that publicizes alleged Iraqi war crimes and seeks the arrest of 12 alleged Iraqi war criminals. Although apparently lacking international support, in August 2000, U.S. Ambassador-At-Large for War Crimes David Scheffer said that the United States wanted to see an Iraq war crimes tribunal established within six months, focusing on “nine major criminal episodes.” These include the use of chemical weapons against Kurdish civilians at Halabja (March 16, 1988, killing 5,000 Kurds) and the forced relocation of Kurds in the “Anfal” campaign (February 1988, in which an estimated 50,000 to 182,000 Kurds died); the use of chemical weapons use against Iran; post-war crimes against humanity (the Kurds and the Marsh Arabs); war crimes against Kuwait (oil fires, for example) and coalition forces; and other allegations. On December 1, 2000, the European Parliament adopted a resolution calling for an Iraq war crimes tribunal. In late June 2001, a Belgian judge initiated an investigation of Saddam Husayn for crimes against humanity. In FY2001 and again in FY2002, the State Department plans to contribute \$4 million to a U.N. “Iraq War Crimes Commission.” The funds are to be used if and when a U.N. tribunal for Iraq war crimes is formed. (For more information on U.S. funding for Iraqi war crimes issues, see CRS Report RS20843, *Iraq: U.S. Efforts to Change the Regime.*)

## **Resettlement of Iraqi Refugees**

Desert Storm and postwar rebellions against Saddam created a flood of Iraqi refugees, including 39,000 Iraqis in a camp in Saudi Arabia (Rafha). Of that pool, about 14,000 were ex-soldiers (and their family members) that participated in postwar rebellions or had surrendered to coalition forces. The Bush Administration(1989-1993) agreed to participate in a multinational resettlement recommended by UNHCR. As of March 2000, total U.S. admissions under the program were about 29,000 Iraqis, of which about 3,800 were ex-soldiers and their families. About 5,000 Iraqis remain in Saudi Arabia as refugees, and the United States is not expected to resettle any more Iraqis. In July 2001, Iraq urged the remaining Iraqis to join the approximately 3,000 Iraqis who have returned voluntarily to Iraq from that camp. The FY1994 defense authorization (P.L. 103-160) stated the sense of the Senate that there be no admissions of Iraqi ex-soldiers unless they are certified to have assisted coalition forces after defecting and have not committed any war crimes; the Administration says these criteria have been met. In the wake of the September 1996 northern Iraq crisis, 5,900 Kurds who worked for U.S. relief operations or U.S.-affiliated NGO's in northern Iraq, as well as 650 opposition activists, were resettled in the United States under the Attorney General's parole authority.

## **Iraqi Support for International Terrorism**

Resolution 687 required Iraq to end support for international terrorism, and Iraq made a declaration to that effect to the U.N. Security Council. Iraq remains on the U.S. list of state sponsors of terrorism. According to the State Department's report on international terrorism for 2000, Iraq continues to sponsor terrorism, primarily against Iraqi dissidents abroad. (See CRS Report RL30643, *Terrorism: Near Eastern Groups and State Sponsors, 2000.*)

## **Iraq-Kuwait Issues**

Resolution 1284 requires reports on the issues discussed below. However, in contrast to Resolution 687, Resolution 1284 does not make the easing of any sanctions contingent upon Iraqi compliance on these Kuwait-related issues.

### **Border Delineation and Security/Kuwaiti Sovereignty**

Resolution 687 required Iraq to annul its annexation of Kuwait, directed the U.N. Secretary-General to demarcate the Iraq-Kuwait border, and established a demilitarized zone 10 kilometers into Iraq and 5 kilometers into Kuwait. Resolution 773 (August 26, 1992) endorsed border decisions taken by the Iraq-Kuwait Boundary Demarcation Commission (established May 2, 1991); on November 23, 1992, the Commission finished demarcating the Iraq-Kuwait border as described in an October 1963 agreement between Iraq and Kuwait. The border took effect January 15, 1993. The demarcation deprived Iraq of part of the port of Umm Qasr and a strip of the Rumaylah oil field, which straddles the border. On March 18, 1993, the Commission determined the sea border, allowing both countries access to the Gulf, and its final report was accepted by the U.N. Secretary General on May 20, 1993. Resolution 833 (May 27, 1993) demanded that Iraq and Kuwait accept the final border demarcation. On November 10, 1994, Iraq formally recognized Kuwait in a motion signed by Saddam Husayn, but Iraqi officials routinely make statements that Kuwait interprets as threatening.

The 32-nation U.N. Iraq-Kuwait Observer Mission (UNIKOM), established by Resolutions 687 and 689 April 9, 1991), continues to monitor border violations. The United States contributes 11 personnel to the 197 observers in UNIKOM, which is commanded (as of December 1, 1997) by an Irish officer and is considered a U.N. peacekeeping operation. Under Resolution 806 (February 5, 1993), passed after Iraqi incursions into the demilitarized zone in January 1993 (and other incidents), a 908-member Bengali troop contingent supplements the observer group. Kuwait furnishes two-thirds of UNIKOM's \$51 million annual budget. In FY2000, the United States contributed about \$4.5 million to UNIKOM.

### **Return of Kuwaiti Missing Persons and Property**

Security Council Resolutions 686 and 687 require Iraq to account for Kuwaiti and other nationals detained in Iraq during the Persian Gulf crisis. Of an initial 628 Kuwaiti cases, 608 are unresolved (ICRC figure as of May 2000), as are the cases of an additional 17 Saudi nationals. Iraq has admitted to having arrested and detained 126 Kuwaitis, but did not provide enough information to resolve their fate. Only three cases have been resolved since 1995. Since January 1995, Iraq and Kuwait were meeting every month on the Iraq-Kuwait border, along with U.S., British, French, and Saudi representatives, but Iraq has boycotted the meetings since Operation Desert Fox. In February 2000, retired Russian diplomat Yuli Vorontsov was appointed to a new post (created by Resolution 1284) of U.N. coordinator on the issue of missing Kuwaiti persons and unreturned property. Iraq has not yet allowed him to visit Iraq, and in April, June, and August 2000, as well as in March, April, and June 2001, the Security Council has issued statements of concern about the lack of progress. The U.N. Secretary General's August 15, 2001 report on the issue said Iraq continued to be uncooperative. A few days later, Iraq said it would resume meetings on the issue but only if the United States and Britain no longer attended the sessions.

U.N. Security Council Resolutions 686 and 687 require Iraq to return all property seized from Kuwait. In the first few years after the cease-fire, Iraq returned some Kuwaiti civilian and military equipment, including U.S.-made Improved Hawk air defense missiles, and a June 2000 Secretary General report and a June 19, 2000 Security Council statement did note that Iraq had returned “a substantial amount of property.” However, since 1994, U.S. officials have accused Iraq of returning to Kuwait some captured Iranian equipment that was never part of Kuwait’s arsenal and of using Kuwaiti missiles and armored personnel carriers during Iraq’s October 1994 troop move toward the Kuwait border. The United Nations and Kuwait say Iraq has not returned extensive Kuwaiti state archives and museum pieces, as well as military equipment including eight Mirage F-1 aircraft, 245 Russian-made fighting vehicles, 90 M113 armored personnel carriers, one Hawk battery, 3,750 Tow anti-tank missiles, and 675 Russian-made surface-to-air missile batteries. Iraq claims the materiel was left behind or destroyed when Iraq evacuated Kuwait.

## **Reparations Payments**

The U.N. Security Council has set up a mechanism for compensating the victims of Iraq’s invasion of Kuwait (individuals, governments, and corporations), using 25% (reduced from 30% in December 2000) of the proceeds from Iraqi oil sales. As of May 2001, of a total asserted value of \$320 billion claims submitted, the Compensation Commission (UNCC) has thus far approved claims worth about \$32 billion. Following a July 2001 payout of about \$500 million, which included a \$74 million payment to Israel for Iraq’s Gulf war Scud attacks, the UNCC has paid out about \$12.6 billion and has finished compensating claimants who suffered injuries or whose spouse, child, or parent died as a result of the Iraqi invasion of Kuwait. The Commission has paid some corporate and governmental claims. In September 2000, the UNCC governing council approved an award to Kuwait of \$15.9 billion for oil revenues lost because of the Iraqi occupation and the aftermath of the war (burning oil wells), although current payment schedules will provide only a small fraction of that award (about \$50 million) until 2003. In June 2001, the UNCC approved \$243 million in payments to all of Iraq’s immediate neighbors (except Turkey) for studies of Gulf war environmental damage. Of this amount, \$5 million was approved for Iraq’s legal expenses to counter the expected environmental reparations claims.

Several legislative proposals to distribute Iraq’s frozen assets (about \$2.2 billion) in the United States (separate from the U.N. compensation process) were not enacted, because of differences over categories of claimants that should receive priority. In the 107<sup>th</sup> Congress, H.R. 1632 proposes to distribute Iraq’s frozen assets primarily to U.S. victims of the Iraqi invasion of Kuwait. Some might argue that this group of claimants is covered under the U.N. process discussed above and that the frozen assets in the United States should be used for those with claims resulting from events prior to the Iraqi invasion. (See CRS Report 98-240, *Iraq: Compensation and Assets Issues*.)

## **U.S. Policy, Sanctions, and the Oil-for-Food Program**

As international sympathy for the plight of the Iraqi people has grown, the United States has had difficulty maintaining support for international sanctions. The oil-for-food program,

established by Resolution 986 (April 15, 1995) but in operation only since December 1996, has been progressively eased to alleviate human suffering, and the United States has eased its own unilateral sanctions to align them with the oil-for-food program. (For a discussion of the program, see CRS Report RL30472, *Iraq: Oil-For-Food Program*.) Of the Security Council permanent members, the United States has been the most resistant to easing sanctions and has set the highest standards for full Iraqi compliance. The United States rules out dialogue with Iraq on the grounds that Iraq's level of compliance does not justify talks.

**“Smart Sanctions” Initiative.** During a February 2001 trip to the Middle East, Secretary of State Powell presented a U.S. plan to facilitate exports of civilian equipment to Iraq in exchange for measures to ensure that no militarily useful goods reach Iraq. The Administration has portrayed its initiative as an effort to rebuild containment by narrowing differences within the Security Council on Iraq policy and limiting sanctions erosion. France, Russia, and China appear to believe that the U.S. objective is to keep sanctions on Iraq in order to promote regime change, and they (and the United Nations in a May 18, 2001 report) have criticized the United States and Britain for placing “holds” on the export to Iraq of about \$3 billion (as of August 2001) in dual use goods to Iraq. These and other countries have been increasingly vocal in promoting an easing of Iraq sanctions. The United Nations has been critical of Iraq for failing to buy sufficient quantities of medicine, children's nutrition supplies, sanitation supplies, and educational materials, as well as its occasional oil export halts.

With phase nine of the oil-for-food program due to expire on June 3, 2001, the Security Council debated integrating the U.S. plan into an authorization for the next phase (phase ten). Failing to reach agreement, the Council adopted Security Council Resolution 1352 on June 1, 2001, extending phase nine by one month with no changes. Russian opposition prevented Security Council adoption of the U.S. plan by the July 3, 2001 deadline, leading to a Council decision to authorize a 5-month phase ten of the program, with no alterations (U.N. Security Council Resolution 1360). With the U.S. plan blocked, Iraq resumed its oil exports, which had been suspended on June 1, 2001, in protest of the Security Council negotiations on the U.S. proposals. The United States says it will continue discussions on the new sanctions regime by the November 30, 2001 expiration of phase ten of the oil-for-food program, using as a basis for discussion elements in a British draft resolution that would have (1) banned the export of the most militarily useful dual use goods but allowed all other civilian exports; (2) stipulated that neighboring states' purchase of Iraqi oil be under U.N. control (see below); (3) attempted to tighten controls over border crossings into Iraq; and (4) allowed civilian flights to Iraq if their cargo is inspected.

France, Russia, and China want to liberalize the oil-for-food program even further than that envisioned in the British draft. Among other objections, these countries want no restrictions on flights into or from Iraq. Since August 2000, France and Russia have challenged the U.S. interpretation that U.N. Resolution 670 (September 25, 1990) bans passenger flights to and from Iraq; and there has been a revival of significant air traffic into and from Iraq. (The resolution bans flights carrying “cargo,” except humanitarian cargo, subject to Sanctions Committee approval.) In mid-2001, Syria and Jordan began regular chartered passenger flights to Iraq. In early November 2000, Iraq restarted passenger flights within Iraq and its officials have begun flying directly to other countries. The United States does not object to the internal flights, but it has asked Iraq to notify the Sanctions Committee at least 48 hours in advance.

France, Russia, and China also want to permit new investment in Iraq's energy sector. Such investment is provided for by Resolution 1284 only after Iraq fully complies on outstanding WMD issues. Chinese, Russian, and French firms already have agreed to specific energy investment projects in Iraq, under the condition that the investment ban is lifted. Security Council Resolution 1330, which authorized phase nine of oil-for-food, provided for a \$540 million U.N.-supervised cash component for the procurement in Iraq of oil industry repair and maintenance services, although this is not investment. As a possible sign of Security Council easing on the investment issue, as well as a desire by industrialized countries to ease oil prices, in February 2001 the Sanctions Committee approved plans by two Russian companies (Zarubezhneft and Tatneft) to drill about 100 wells in existing fields in Iraq.

The British draft also sought to prevent Iraq from skirting oil-for-food guidelines in the course of exporting oil. During December 2000, Iraq temporarily ceased exporting oil when the United Nations and oil purchasers refused to meet its demand that Iraq be paid 50 cents per barrel into a separate, Iraq-controlled account. There are continued reports that small oil trading companies are paying Iraq these surcharges, and, in April 2001, the U.S. government warned U.S. firms against buying Iraqi oil from traders that are paying the surcharge. The British draft sought to prevent this payment by restricting the allowed buyers of Iraqi oil to international energy companies that can be more easily monitored. In August, Britain attempted to block the surcharges by altering the oil pricing time frame to 10 days from the current 30, which would keep Iraq's price closer to the world price and cut down Iraq's margin for surcharging. The United States opposed the British proposal on the grounds that it might disrupt the world oil market, proposing a compromise of 15 days instead.

Formally, comprehensive U.S. trade sanctions against Iraq have been in place since Iraq's 1990 invasion (Executive Order 12722 of August 2, 1990, Executive Order 12724 of August 6, 1990, and the Iraq Sanctions Act of 1990, Section 586 of P.L. 101-513). Since then, U.S. trade regulations have been amended to align them with the oil-for-food program. A summary of the regulations governing transactions with Iraq is provided in CRS Report RL30472, *Iraq: Oil-for-Food Program*. U.S. imports of Iraqi oil have soared since 1999 and reached a high of about 970,000 barrels per day in May 2001 – nearly half of Iraq's oil exports. In the 107<sup>th</sup> Congress, S. 1170, introduced July 12, 2001, would bar U.S. imports of Iraqi oil. Senate leaders reportedly have promised the sponsor of the bill, Senator Murkowski, a floor vote on the provision. On July 27, 2000, the Department of Agriculture said that Iraq had bought its first shipment of U.S. rice (15,800 metric tons) since 1990. A measure introduced in the 106th Congress, but not enacted (H.R. 3825), sought to ease civilian sanctions while preserving military sanctions and would have eased the licensing procedures for U.S. sales of goods to Iraq under oil-for-food. A similar bill (H.R. 742), was introduced in the 107<sup>th</sup> Congress.

Prior to the oil-for-food program, funds for civilian goods and the implementation of U.N. resolutions on Iraq were drawn from frozen Iraqi assets transferred — or direct contributions — to a U.N. escrow account pursuant to Resolution 778 (October 1992). Total U.S. transfers to the escrow account, which matched contributions from other countries, reached \$200 million, the maximum required under Resolution 778. These transfers were being repaid to the United States from proceeds of the oil-for-food program. Resolutions 1284 and 1302 (June 8, 2000) suspended reimbursements until the end of 2000; about \$173 million is due back to the United States. Repayments resumed in 2001.



## Iraq's Illicit Trade With Its Neighbors

As regional fears of Iraq have eased and sympathy for the Iraqi people has grown, the United States has had difficulty persuading regional governments to enforce the sanctions regime, as discussed below. Improving sanctions enforcement by Iraq's neighbors is key to the U.S. targeted sanctions proposals, and press reports indicate that this part of the U.S. plan ran into significant resistance in the region. Some of the reasons for the regional resistance are discussed below. See also CRS Report RL30472, *Iraq: Oil-for-Food Program*.

**Jordan.** Since 1992, despite Jordan's economic dependence on Iraq and its advocacy of easing sanctions, the United States has considered Jordan's compliance with the U.N. sanctions regime on Iraq satisfactory. In October 2000, Jordan dismissed Lloyd's International from its role as inspector of goods bound for Iraq and arriving in Jordan at the port of Aqaba, a role enshrined in an agreement between Jordan and the United States in 1993. Recognizing Jordan's economic need, the Sanctions Committee "takes note of" Jordan's purchases of discounted Iraqi oil and oil products, which is exchanged for Jordanian goods (approved under the oil-for-food program) and write-downs in Iraqi debt to Jordan. This relationship was renewed in November 2000 at a level of about \$450 million for the year, which translates into about 105,000 barrels per day of Iraqi oil exports to Jordan.

Every year since FY1994, foreign aid appropriations laws (P.L. 103-87, P.L. 103-306, P.L. 104-107, P.L. 104-208, P.L. 105-118, P.L. 105-277, P.L. 106-113, and P.L. 106-429), have denied U.S. aid to any country that does not comply with the sanctions against Iraq, though these laws do not mention Jordan specifically. The Administration has routinely waived sanctions in order to provide aid to Jordan, which is a key U.S. ally in the Middle East peace process; Congress has not objected to that waiver. Secretary of State Powell has pressed Jordan not to proceed with a planned "free trade agreement" with Iraq that, some fear, could increase the flow of dual use goods to Iraq. It should be noted that virtually all trade with Iraq is, in practice, duty free. (See CRS Issue Brief IB93085, *Jordan: U.S. Relations and Bilateral Issues*).

**Turkey.** Turkey estimates that it has lost \$35 billion as a result of the sanctions. The Turkish government now regulates and taxes the illicit importation of about \$400 million per year in Iraqi energy products by Turkish truck drivers (about 450 trucks per day) returning from Iraq. U.S. sanctions against Turkey for this trade have routinely been waived. In April 2000, Iraq and Turkey neared agreement to increase bilateral trade twelve fold, to about \$2.5 billion per year, roughly pre-war levels. In May 2001, rail service between the two resumed.

**Iran/Persian Gulf States.** In enforcing the embargo, two U.S. ships lead a Multinational Interdiction Force (MIF) that conducts maritime searches in the Persian Gulf to prevent the smuggling of oil and other high-value exports. The United States has asserted that Iran's Revolutionary Guard has been helping Iraq smuggle out the oil exports in exchange for "protection fees," although Iran did stop some illicit shipments in March, April, and again in late June 2000, earning some U.S. praise. Despite these exceptions, Iran's cooperation helped Iraq's illicit exportation reach a high in mid-2000 of about \$80 million per month, and Iraq reportedly earned a net of about \$600 million for all of 2000, according to British military officials. It should be noted that Iraq receives only half the export value after paying off the Revolutionary Guard and smugglers. Iraq openly stated in July 2000 that it will continue to export "extra" (smuggled) oil products. The U.S. Ambassador to the UAE said

on March 28, 2001, that the smuggling through this route has fallen substantially in recent months, indicating that Iraq is increasing its use of a pipeline to Syria (see below).

Iranian-Iraqi relations have improved since 1995, including talks between Iraq's Vice President and Iranian President Mohammad Khatemi at the margins of the summit in Tehran (December 9-11, 1997) of the Organization of Islamic Conference (OIC). The two exchanged 6,000 prisoners from the Iran-Iraq war in April 1998 and smaller batches of prisoners and remains since. In early October 2000, the two agreed to abide by the 1975 Algiers Accords that delineated their border, and Iran's Foreign Minister visited later in the month, a sign of accelerating rapprochement. Relations were set back somewhat in mid-April 2001 after Iran launched a barrage of rockets across the border against the Iraq-based Iranian opposition People's Mojahedin. Regarding Iraq's relations with the Gulf monarchy states, in April 2000, the UAE and Bahrain reopened embassies in Baghdad, leaving Kuwait and Saudi Arabia as the only two Gulf monarchies without relations with Iraq. Saudi Arabia has requested Sanctions Committee permission to open a border crossing with Iraq that will help expand Saudi exports to Iraq from \$200 million in 2000 to about \$600 million in 2001. Kuwait has expressed support for Secretary Powell's proposals on Iraq sanctions, although Iraq and Kuwait could not agree on a final statement on their relations or on Iraq sanctions during the Arab League summit meeting in Jordan (March 27-28, 2001).

**Syria/Lebanon/Egypt.** Syria and Iraq began a warming trend in relations by reopening their border in 1997; this trend has continued since the July 2000 accession of Bashar Assad to the presidency of Syria. In July 1998, the two countries announced a plan to reopen the Iraq-Syria oil pipeline, closed since 1982, and energy industry reports since November 2000 say Iraq has been sending about 100,000 barrels per day of oil through the line, under a bilateral "swap" arrangement in which Syria uses the oil domestically and exports an equivalent extra amount of its own oil. Because of discounts offered to Syria for the oil, Iraq earns about \$1-2 million per day from this illicit exportation, skirting the oil-for-food program. Resolution 1284 (paragraph 16) lays the groundwork for the opening of this route, but Syria and Iraq are resisting controls on this trade. Syria has not implemented its pledge to Secretary of State Powell, made during his February 2001 visit to Damascus, that Syria would place the pipeline under oil-for-food guidelines. In late March 2001, the United States said it might oppose Syrian membership in the U.N. Security Council if it does not implement that promise. Iraqi-Syrian political relations have warmed to some extent as well, and, as of May 2001, the two countries have reopened diplomatic missions in each others' capitals. In August 2000, Iraq resumed rail service to Syria, suspended since 1982. The two countries also have announced plans to double their trade from the current level of about \$450 million per year, and they have put into effect a "free trade" agreement.

Lebanon, which is under the heavy influence of Syria, restored diplomatic relations with Iraq October 23, 1998, after a 4-year break. There has been discussion of Iraqi oil exports to Lebanon from a branch of the Iraq-Syria pipeline, but Syria apparently is cool to that proposal on the grounds that doing so could increase Iraq's influence in Lebanon. As a sign of warming Iraqi-Egyptian relations, Iraqi-Egyptian trade under the oil for food program has now reached \$800 million annually, and the two agreed in September 2000 to increase that to \$1 billion. On January 18, 2001, the two countries signed a "free trade agreement," although under the condition that it goes into effect when sanctions are lifted. In November 2000, Iraq and Egypt upgraded their interest sections to embassies.

## Protecting/Supporting Iraq's Opposition

Press reports in March 2001 suggested the United States might work with movements other than the opposition umbrella group Iraqi National Congress (INC) as part of its regime change strategy. In April 2001, signs appeared that the Shiite Islamist group SCIRI, which is based in Iran and is part of the INC coalition, might be willing to work more closely with the United States on anti-Saddam activities. For FY2001, the United States will provide about \$25 million for opposition activities, and roughly the same amount is proposed for FY2002. The House-passed FY2002 foreign aid bill (H.R. 2506) contains a provision authorizing the expenditure of Economic Support Funds (ESF) in FY2002 to change the regime, although no dollar amount is specified. Despite a U.S. audit of INC finances launched in June 2001, on June 13, 2001, the State Department notified Congress that it would release \$6 million in previously appropriated funds to be used for INC operating expenses and satellite broadcasts into Iraq. Some press reports suggest the Bush Administration might try to incorporate a covert action component into its regime change strategy. On August 15, 2001, the INC began satellite television broadcasts into Iraq, which will cost about \$2.7 million per year. For a discussion of the U.S. regime change policy, including the various opposition movements backed by the United States and the Iraq Liberation Act (P.L. 105-338), see CRS Report RS20843, *Iraq: U.S. Efforts to Change the Regime*.

## Military Action and Long-Term Containment

The United States and Britain enforce two "no fly zones" to provide a measure of protection for Iraq's Kurdish minority and other objects of regime repression and to contain Iraq militarily. To enforce the no-fly zones, the two allies invoke U.N. Resolution 678 (November 29, 1990, authorizing use of force to expel Iraq from Kuwait), 687 (the main ceasefire resolution), 688 (human rights), and the Safwan Accords (the March 3, 1991 cease-fire agreements between Iraq and the coalition forces that banned Iraqi interference with allied air operations). Resolutions 678 and 687 were written under Chapter VII of the U.N. Charter, dealing with peace and security, and are interpreted as allowing military action to enforce these resolutions. Resolution 688 (human rights) was not written under Chapter VII, nor does that or any other resolution establish no fly zones. To justify Operation Desert Fox, the Administration cited additional justification from Resolution 1154 (see above), which warned of "the severest consequences" for non-compliance. Section 1095 of P.L. 102-190, the Defense Authorization Act for FY1992, signed December 5, 1991, expressed Congress' support for "all necessary means" to achieve the goals of U.N. Security Council Resolution 687. (For information on the U.S. military posture in the Gulf tasked with containing Iraq, see CRS Report RL30728, *Persian Gulf: Issues for U.S. Policy, 2000*.) In instances of strikes on Iraq for no fly zone or other infractions, the Administration also has cited congressional action (primarily P.L. 102-1 of January 12, 1991, authorizing military action to expel Iraq from Kuwait).

**Kurds/Operation Northern Watch (ONW).** The northern no fly zone was set up in April 1991, to protect the Kurds in northern Iraq. The zone extends north of the 36<sup>th</sup> parallel. After the September 1996 Iraqi incursion into northern Iraq, humanitarian aspects of ONW were ended and France ended its ONW participation. On June 25, 2001, Turkey renewed for six months basing rights at Incirlik Air Base for the 24 American aircraft and about 1,300 U.S. forces (plus allied forces). However, Turkey fears that ONW protects the

anti-Turkish Kurdistan Workers' Party (PKK), which takes refuge in parts of northern Iraq, and Turkey has made repeated attacks against the PKK there since May 1997. Turkey appointed an Ambassador to Iraq in January 2001.

The two leading Iraqi Kurdish parties, the KDP led by Mas'ud Barzani and the Patriotic Union of Kurdistan (PUK) led by Jalal Talabani, agreed in May 1992 to share power after parliamentary and executive elections. In May 1994, tensions between them flared into clashes, and the KDP turned to Baghdad for backing. In August 1996, Iraqi forces helped the KDP capture Irbil, seat of the Kurdish regional government. With U.S. mediation, the Kurdish parties agreed on October 23, 1996, to a cease-fire and the establishment of a 400-man peace monitoring force composed mainly of Turkomans (75% of the force). The United States funded the force with FY1997 funds of \$3 million for peacekeeping (Section 451 of the Foreign Assistance Act), plus about \$4 million in DoD drawdowns for vehicles and communications gear (Section 552 of the FAA). Also set up was a peace supervisory group consisting of the United States, Britain, Turkey, the PUK, the KDP, and Iraqi Turkomans. A tenuous cease-fire has held since November 1997 and the KDP and PUK leaders signed an agreement in Washington in September 1998 to work toward resolving the main outstanding issues (sharing of revenues and control over the Kurdish regional government). None of these issues has been fully resolved, but reconciliation efforts have shown substantial progress thus far in 2001. Both parties are represented in the opposition umbrella Iraqi National Congress, but both also maintain ties to Baghdad. In mid-December 2000, Iraqi troops briefly took up positions just inside the Kurdish enclave, but did not launch an attack.

**Shiite Muslims/Operation Southern Watch.** Shiites constitute a majority in Iraq but historically have been repressed. The U.S.-led coalition declared a no-fly zone over southern Iraq (south of the 32nd parallel) to protect the Shiites on August 26, 1992 (Operation Southern Watch), although the overflights are primarily part of the U.S. containment strategy. The United States and the United Kingdom (but not France) expanded the zone up to the 33rd parallel on September 4, 1996; France ended its participation entirely after Desert Fox. In response to Iraq's movement of troops toward Kuwait in October 1994, Security Council Resolution 949 (October 15, 1994) demanded Iraq not deploy forces to threaten its neighbors. The United States and Britain interpret this as authorizing military action if Iraq enhances (in numbers or quality of armament) its forces below the 32nd parallel.

The Clinton Administration's position was that major military action against Iraq could be taken if Iraq is known to have rebuilt WMD, threatens its neighbors, or attacks the Kurdish enclave. Indications are that Bush Administration criteria for major military action differ little, if at all. Lesser military containment actions are a matter of debate, as is the fate of the no fly zone enforcement operations. During March 2000-March 2001, Iraqi air defenses fired at or near fixed radar or allied aircraft enforcing the zones on 500 occasions, in many cases provoking U.S. strikes on the activated missile batteries. On February 16, 2001, the United States and Britain struck elements of that network north of the southern no fly zone, in response to Iraq's increasing ability to target U.S. aircraft. U.S. aircraft did not go beyond the zone, but the strike was criticized internationally. The strike was deemed relatively successful, but Iraq resumed tracking U.S. and British patrols thereafter, suggesting the Iraqi air defense network was not crippled.

On May 9, 2001, the *Washington Post* reported that U.S. Air Force commanders want to reduce no fly zone enforcement operations, possibly including virtual termination of the

northern zone operation. Secretary of Defense Donald Rumsfeld appeared to give credence to the reports during a June 2001 visit to Turkey, saying that improved Iraqi air defense would be a factor in his recommendations to the President on the future of the no fly zone enforcement operations. Iraq nearly shot down a U.S. U-2 reconnaissance plane on July 24, 2001. Suggesting less U.S. vigilance in its no-fly zone enforcement, as of mid-June 2001, coalition aircraft have struck Iraqi air defense targets less than ten times in 2001, despite being fired on by Iraq 48 times. In 2000, the United States struck Iraqi air defense targets on 47 occasions. The United States has struck several air defense targets in August 2001, but the President has apparently decided, for now, against a broad package of strikes on par with Operation Desert Fox.

**Costs of Containment.** Saudi Arabia, Kuwait, and the United Arab Emirates contributed a total of \$37 billion to the \$61.1 billion in incremental costs of Desert Storm, all of which has been paid. From the end of the Gulf war until the end of FY2000, the Defense Department has incurred about \$8 billion in costs to contain Iraq and provide humanitarian aid to the Kurds. Of that, about \$1.14 billion was spent in FY2000, and just under \$100 million was spent for Operation Desert Fox. The Clinton Administration estimated that \$1.1 billion would be spent in FY2001, and an FY2001 defense appropriation (H.R. 4576, P.L. 106-259, signed August 9, 2000) provided \$3.938 billion in emergency spending for operations over Iraq and in Bosnia and Kosovo.) In addition, the Department of Defense, under the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a), assisted UNSCOM by providing U-2 surveillance flights (suspended since the December 15, 1998 UNSCOM pullout), intelligence, personnel, equipment, and logistical support. This support cost the United States about \$15 million per year, the amount authorized for FY2000 (DoD authorization law, P.L. 106-65). (See CRS Issue Brief IB94040, *Peacekeeping: Issues of U.S. Military Involvement*.)

# CRS Report for Congress

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## **The Persian Gulf: Issues for U.S. Policy, 2000**

**November 3, 2000**

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# The Persian Gulf: Issues for U.S. Policy, 2000

## Summary

No major confrontations or crises have occurred in the Persian Gulf since 1998, but regional security challenges that could erupt into crises on short notice have not been eliminated. Most observers agree that Iraq is contained militarily, unable to rebuild its conventional forces and constrained in its ability to acquire technology that could be used to build prohibited weapons of mass destruction (WMD). On the other hand, the U.N. Security Council has become deeply divided on Iraq policy, and unable to obtain a restart of U.N. weapons inspections, which ended on the eve of a U.S./British bombing campaign against Iraq in December 1998. Administration officials acknowledge that, without inspections, there is substantial uncertainty about the state of Iraq's WMD capabilities and activities, if any.

The Administration has moved to end twenty years of hostility with Iran since the unexpected election in May 1997 of a relative moderate, Mohammad Khatemi, as President. Administration efforts might have contributed to an apparent reduction in Iranian support for international terrorism and an accelerated effort by Iran to end its international isolation. However, Administration overtures toward Iran over the past year have not yet brought Iran into a formal dialogue with the U.S. government.

Administration hopes that a moderating Iran might also slow its WMD acquisition and development programs have not materialized, although most observers attribute Iran's commitment to those programs to the security threats Iran perceives on virtually all its borders. Since the Islamic revolution in 1979, Iran is or has been at odds with several of its neighbors, including the Gulf states (Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Qatar and Oman), Iraq, and the Taliban-ruled Afghanistan, and it views Israel as an adversary.

U.S. efforts to contain the potential threats from Iran and Iraq continue to depend on close alliances with the Persian Gulf monarchy states and on continuing political stability in those countries. All of the Gulf states host at least some U.S. forces that are performing missions to contain Iraq or monitor Iran. At the same time, the United States is continuing a longstanding effort to forge closer cooperation with and among the Gulf states on early warning and defense. The United States has also applauded moves by some of the Gulf states to open their political systems, which the United States believes will contribute to political stability. Greater popular participation has made the Gulf governments aware of growing public sympathy for the plight of the Iraqi people, and some of the Gulf states now appear reluctant to host U.S. forces indefinitely or to back continued international sanctions or U.S. air strikes on Iraq. Gulf sympathy for the Palestinians in the Israeli-Palestinian clashes that broke out in September 2000 could also cause some Gulf states to reduce security cooperation with the United States, although there are no signs of any reduction to date. Some of the Gulf states are responding to Iranian overtures to engage in low-level security cooperation with Iran, a trend that some U.S. experts are concerned could lead to broader defense cooperation between the Gulf states and their erstwhile Persian adversaries.

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# The Persian Gulf: Issues for U.S. Policy, 2000

The Persian Gulf region, rich in oil and gas resources but with a history of armed conflict that has necessitated occasional U.S. military action, remains crucial to United States interests. This report, which will be revised annually, discusses regional trends and U.S. efforts to manage Gulf security challenges. The report is derived from a wide range of sources, including press reports, unclassified U.S. government documents, U.N. documents, CRS observations during visits to the Gulf, and conversations with U.S., European, Iranian, and Gulf state officials, journalists and academics. For further reading, see CRS Issue Brief IB92117, *Iraqi Compliance With Ceasefire Agreements*; CRS Issue Brief IB94049, *Iraq-U.S. Confrontations*; CRS Issue Brief IB93033, *Iran: Current Developments and U.S. Policy*; CRS Issue Brief IB93113, *Saudi Arabia: Post-War Issues and U.S. Relations*; and CRS Report RL30383, *U.S.-Gulf Cooperation Council (GCC) Trade and Investment: Trends and Implications*.

## Threats and U.S. Interests in the Gulf

Iran, Iraq, and the six Gulf monarchy states that belong to the Gulf Cooperation Council (GCC, Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman) possess about two thirds of the world's proven reserves of oil. The countries in the Gulf produced over 27% of the world's oil supply in 1999, according to the U.S. Energy Information Administration. Saudi Arabia and Iraq are first and second, respectively, in proven reserves. Iraq, which is largely unexplored and in which new energy exploration is barred by U.N. sanctions, might ultimately be proven to contain more oil than does Saudi Arabia. Iran and Qatar, respectively, have the second and third largest reserves of natural gas in the world; gas is an increasingly important source of energy for Asian and European countries. Difficulties in the discovery and transportation of oil and gas from the Central Asian/Caspian Sea countries ensure that the Gulf will be a major source of energy well into the 21<sup>st</sup> century. All the Gulf states, including Iran and Iraq, have an interest in the free flow of oil, but past political conflict in the Gulf and broader Middle East has caused oil prices to rise sharply and has increased hazards to international oil shipping.

The region is home to both Iran and Iraq, countries that have threatened U.S. interests directly and indirectly. Iran and Iraq fought each other during 1980-1988, and both have also fought the United States, although in differing degrees of intensity. Iran and the United States fought minor naval skirmishes during 1987-88, the height of the Iran-Iraq war — a war in which the United States tacitly backed Iraq. During one such skirmish (*Operation Praying Mantis*, April 18, 1988) the United States fought a day long naval battle with Iran that destroyed almost half of Iran's largest

naval vessels. To liberate Kuwait from Iraq, which invaded and occupied Kuwait on August 2, 1990, the United States deployed over 500,000 U.S. troops, joined by about 200,000 troops from 33 other countries. That war (January 16 - February 27, 1991) resulted in the death in action of 148 U.S. service personnel and 138 non-battle deaths, along with 458 wounded in action. The Gulf war reduced Iraq's conventional military capabilities roughly in half, but Iraq is still superior to Iran and the Gulf states in ground forces. Iran faces financial limitations, but there are no mandatory international restrictions on its imports of advanced conventional weapons, and Iran has been rearming since 1990.

In addition to their conventional forces, both Iran and Iraq have developed weapons of mass destruction (WMD) programs. Iraq's missile, chemical, nuclear, and biological programs, begun during the Iran-Iraq war, were among the most sophisticated in the Third World at the time of Iraq's invasion of Kuwait. During the 1991 Gulf war, Iraq fired 39 Scud missiles at Israel, a U.S. ally, and about 50 missiles on targets in Saudi Arabia. One Iraqi missile, fired on coalition forces on February 25, 1991 (during Desert Storm) hit a U.S. barracks near Dhahran, Saudi Arabia, killing 28 military personnel and wounding 97. During the Iran-Iraq war, Iraq fired enhanced Scud missiles at Iranian cities,<sup>1</sup> and it used chemical weapons against Iranian troops and Kurdish guerrillas and civilians. Iran's WMD programs, which are not under international restrictions like those on Iraq, have made significant strides during the 1990s with substantial help from Russia, China, North Korea, and other countries. In July 1998, Iran tested its Shahab-3 (Meteor) ballistic missile (800-900 mile range), which could enable Iran to threaten Israel, Turkey, and parts of Central and South Asia.

Both Iran and Iraq are on the U.S. list of state sponsors of terrorism, although annual State Department reports on international terrorism ("Patterns of Global Terrorism") have consistently deemed Iran a larger terrorist threat than Iraq. The Islamic regime in Iran, which came to power in February 1979, held American diplomats hostage during November 1979-January 1981, and the pro-Iranian Lebanese Shia Muslim organization Hizballah held Americans hostage in Lebanon during the 1980s. Since then, Iran has supported groups (Hizballah and the Palestinian groups Hamas and Palestinian Islamic Jihad) that oppose the U.S.-sponsored Arab-Israeli peace process and have occasionally carried out terrorist attacks against Israelis. Some pro-Iranian groups have sought to destabilize some of the Gulf states, although these groups have been less active over the past four years. Press reports suggest Saudi investigators hold Iran at least indirectly responsible for the June 1996 bombing of the Khobar Towers housing complex for U.S. military officers, in which 19 U.S. airmen were killed. Iraq publicly opposes the Middle East peace process, but it has only limited contact with the groups that are most active in working to derail the process.

Both countries were first named in October 1999 as "Countries of Particular Concern" under the International Religious Freedom Act (P.L. 105-292, October 27,

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<sup>1</sup>The missiles were supplied by Russia but Iraq enhanced their range to be able to reach Tehran, which is about 350 miles from the Iraq border. The normal range of the Scud is about 200 miles.

1998). Iraq is considered by the Administration to be a gross violator of human rights based on its treatment of dissidents and ethnic minorities, and the United States is pressing for a war crimes tribunal for Saddam Husayn and eleven other Iraqi officials. U.S. and U.N. human rights reports have accused Iran of numerous human rights abuses, although not to the degree cited for Iraq.

The Gulf states face internal threats not attributable to Iran or Iraq. All six Gulf states — Saudi Arabia, Kuwait, Bahrain, the United Arab Emirates (UAE), Oman, and Qatar — are hereditary monarchies. With the exception of Kuwait, they offer few formal opportunities for popular participation in national decisionmaking, although several of them are gradually opening up their political processes. Some of the Gulf states, including Saudi Arabia and the United Arab Emirates, are undergoing leadership transitions, and Bahrain's leadership passed to a new generation in March 1999, when the long serving Amir died suddenly. The decline in oil prices in 1998, although not causing any overt political challenges to the Gulf regimes, prompted several of the Gulf states to begin addressing serious economic weaknesses, including the need for economic diversification away from reliance on oil exports for most government revenues. The political popularity of their generous social welfare systems left these programs largely untouched, despite the financial burden.

## **Iraq: U.S. Efforts to Contain and End the Threat**

In May 1993, shortly after taking office, the Clinton Administration articulated a policy of “dual containment” of Iran and Iraq. The Administration explained the policy as an effort to keep both Iran and Iraq strategically weak simultaneously, in contrast to past policies that sought to support either Iran or Iraq as a counterweight to the other. Since 1997, signs of moderation in Iran have led to a slight warming of U.S.-Iran relations, to the point where the Administration no longer publicly characterizes its Gulf policy as dual containment. However, Iraq's refusal to fully comply with postwar U.N. Security Council resolutions has kept the United States and Iraq at odds, more than ten years after the Iraqi invasion of Kuwait. The thrust of Administration policy toward Iraq remains containment, with the added dimension of promoting a change of regime.

Administration efforts to keep Iraq strategically weak and politically isolated have undergone several adjustments since the Gulf war ended in 1991. During 1991-1997, the United States and its allies relied largely on U.N. weapons inspections UNSCOM), chartered by U.N. Security Council Resolution 687 (April 3, 1991) to eliminate and prevent the rebuilding of Iraq's WMD capabilities. U.N. Security Council resolutions, including 661 (August 6, 1990), prevented Iraq from importing conventional weaponry.

Iraq accepted U.N. weapons inspections by the U.N. Special Commission on Iraq (UNSCOM) as long as Iraq believed that it would eventually obtain a ruling from UNSCOM that all its WMD programs had been ended, and its WMD capable facilities monitored. Under Resolution 687, such a ruling would open Iraq to the unrestricted exportation of oil. By late 1997, Iraq apparently determined that the United States would never accept any UNSCOM assessment that was sufficiently favorable to ease

sanctions, and Iraq decided to end its cooperation with UNSCOM. Beginning in October 1997, Iraq obstructed the work of UNSCOM teams to the point where UNSCOM withdrew from Iraq (December 15, 1998). In response to Iraq's non-cooperation, the United States and Britain conducted a 70 hour bombing campaign (Operation Desert Fox, December 16-19, 1998) against Iraq's WMD-capable factories and other military installations. Since then, there have been virtually no independent WMD inspections in Iraq, and the United States has had to rely on its own intelligence capabilities to determine whether Iraq is rebuilding WMD. The latest unclassified report to Congress by the Central Intelligence Agency, released in August but covering the period July-December 1999, says that Iraq is rebuilding facilities that could be used for prohibited WMD manufacture, but that there is no hard evidence Iraq has reconstituted its banned WMD programs.<sup>2</sup>

To ensure that Iraq cannot use its still formidable conventional forces against its neighbors, the United States and Britain patrol "no fly zones" over northern and southern Iraq (see Appendix 3) in the "Northern Watch" and "Southern Watch" operations, respectively.<sup>3</sup> Together, the zones cover approximately 62% of Iraq's territory. In response to over 700 Iraqi violations of the no fly zones since Desert Fox (as of October 2000), the United States and Britain have been striking Iraqi air defense sites in or just outside the zones when these sites threaten U.S. aircraft. Asserting that U.S. strikes and other military containment measures are succeeding, the Defense Department said on September 12, 2000 that Iraq's conventional forces have been "severely degraded" by the Gulf war, international sanctions, and U.S. enforcement of the two no-fly zones, and that Iraq would have "difficulty" waging war against its neighbors because of the presence of U.S. forces in the region.<sup>4</sup> Containing Iraq's military has cost the United States \$7.8 billion from the end of the Gulf war until July 31, 2000, including no-fly zone enforcement, temporary force buildups in response to Iraqi threats, or airstrikes during periods of actual confrontation. The Administration estimates it will spend \$1.1 billion on Iraq containment measures in FY2001, an amount appropriated for this purpose in the FY2001 defense appropriation (P.L. 106-259).

The impasse between the Security Council and Iraq on restarting WMD inspections appears to result, at least in part, from divisions within the Council on the broader issue of maintaining sanctions on Iraq. The divisions were reflected in the passage of U.N. Security Council Resolution 1284 (December 17, 1999), which attempted to offer Iraq a suspension of most sanctions in exchange for cooperation with a new WMD inspection body (U.N. Monitoring, Verification, and Inspection

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<sup>2</sup>Central Intelligence Agency. *Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction And Advanced Conventional Munitions, 1 July Through 31 December 1999*. August 2000.

<sup>3</sup>In January 1997, following a U.S. confrontations with Iraq in August 1996, France ended its participation in Northern Watch. It ceased participating in Southern Watch following Operation Desert Fox (December 1998).

<sup>4</sup>Briefing by Defense Department Spokesman Kenneth Bacon. September 12, 2000.

Commission, UNMOVIC).<sup>5</sup> Even though the resolution appeared to incorporate many of their suggestions for easing sanctions, including ending the limitation on the amount of oil Iraq can sell under the “oil-for-food program,” permanent members France, Russia, and China abstained.

Even before the divided vote on 1284, France, Russia, and China had asserted that sanctions should be progressively eased to give Iraq an incentive to continue its cooperation with UNSCOM. The United States and Britain oppose that view, maintaining that Iraq would view an easing of sanctions as a reward for only limited cooperation, and that the preservation of sanctions would force Iraq to fully comply with all outstanding requirements of applicable U.N. Security Council resolutions. U. S. officials add that lifting sanctions would enable Iraq to generate and control enough revenue to reconstitute its armed forces and its WMD programs by illicitly importing weapons and WMD-useful technology. Some of the Gulf states have begun to back the view of Russia, France, and China, even though they were threatened by Iraq’s invasion of Kuwait. Some Gulf leaders now say that Iraq has been disarmed to the extent that it no longer poses a major threat. Among other motivations, some of Iraq’s neighbors, such as Jordan and Turkey, seek an easing of sanctions to provide them with additional trade opportunities. Others, such as the United Arab Emirates, want to rehabilitate Iraq as a counterweight to Iran. Some observers believe Syria sees Iraq’s revival as potential Arab leverage against Israel, particularly in the context of the apparent breakdown of the Israeli-Palestinian peace process in October 2000. Whatever the motivations, the following recent developments have caused some to question whether U.S. efforts to contain Iraq will succeed over the long term:

- ! In August 2000, Russia and France succeeded in convincing the United States to accept a reduction in the percentage of Iraqi oil revenues devoted to reparations under the U.N. sanctions regime. As of December 2000, the percentage deducted will fall to 25% from the current 30%, a level set by U.N. Security Council Resolution 705 (August 15, 1991). At about the same time, France and Russia began questioning the U.S. interpretation of U.N. Security Council Resolution 670 (September 25, 1990), maintaining that the resolution does not specifically ban passenger flights to or from Iraq. In September and October, Russian, French, Egyptian, Syrian and Sudanese aircraft, with the knowledge and apparent tacit backing of those governments, flew to Iraq without receiving permission from the U.N. Sanctions Committee. This approval procedure has been used by the Security Council since the Gulf war and the United States. Numerous other humanitarian flights have landed in Baghdad in the same time frame, after seeking and receiving the customary Sanctions Committee clearances. In late October 2000, Iraq announced it would resume internal passenger flights; the United States indicated it would not take action to prevent this.
- ! Throughout most of 2000, Iran, or factions within Iran, have been helping Iraq smuggle about \$70 million per month worth of petroleum products out of the

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<sup>5</sup>For full text of the Resolution, see [<http://www.un.org/Docs/scres/1999/99sc1284.htm>]. For analysis of the Resolution, see CRS Report RL30472, Iraq: Oil-For-Food Program. March 17, 2000.

Gulf in exchange for a share of the proceeds of the exports. The illicit revenues go directly to the Iraqi government and can be used for virtually any purpose. A number of press reports indicate Iraq has used some of the funds to illicitly import consumer goods such as electronics, appliances, and luxury clothing.<sup>6</sup>

- ! Syria and Egypt are moving to expand trade with Iraq under the oil-for-food program. As of August 2000, Iraq is buying about \$800 million per year in Egyptian goods with plans to increase that amount to \$1 billion per year. That same month, Syria and Iraq agreed to double their trade from the current level of about \$450 million per year. In early 2000, Syria and Iraq, erstwhile enemies, exchanged diplomats, and the *Middle East Economic Survey* reported in late October 2000 that, in mid-November 2000, the two would reopen the Iraqi oil pipeline that crosses Syria and lets out at Syria's Mediterranean port of Baniyas, closed since 1982. It is not clear if the two countries plan to wait for U.N. backing for the move - the reopening of the pipeline might require an amendment to U.N. Security Council Resolution 986, of April 14, 1995, and the May 1996 U.N.-Iraq memorandum of understanding that govern the oil-for-food program. These documents mandate that more than half of Iraqi oil exports run through an Iraq-Turkey pipeline and that all oil export routes be monitored by U.N. contract personnel.
- ! In October 2000, for the first time since the Iraqi invasion of Kuwait, Iraq was invited to attend an Arab League summit. Saddam Husayn did not attend but he was represented by Izzat Ibrahim, the Vice Chairman of the Revolutionary Command Council, Iraq's highest body. The summit was called to discuss the Israeli-Palestinian clashes. On the other hand, Ibrahim sought but failed to obtain a summit declaration that sanctions on Iraq should be lifted.

**Congressional Views.** Congress has generally supported the Administration throughout the various confrontations with Iraq, and has often urged even stronger action against Iraq than the Administration appeared ready to take. In particular, Congress led the Administration in adding to U.S. containment policy a more ambitious dimension -- promoting the overthrow of Saddam Husayn. Congressional sentiment for a strategy of overthrow of Saddam Husayn was encapsulated in the Iraq Liberation Act, which passed the House on October 5 (360-38) and the Senate on October 7 (unanimous consent). The Act gave the President the discretion to provide up to \$97 million in defense articles and services to Iraqi opposition organizations designated by the Administration. The President signed the bill into law (P.L. 105-338) on October 31, 1998, the same day Iraq cut off all cooperation with UNSCOM, including long term monitoring operations. On November 14, 1998, President Clinton announced the policy shift by stating that the United States would work to achieve a change in regime and that he would implement the Iraq Liberation Act. This marked the first time since the Gulf war that the declared policy of the United States has been to seek Saddam Husayn's overthrow, although the United States has

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<sup>6</sup>Pisik, Betsy. Iraqi Trade Doing Fine Despite Sanctions. *Washington Times*, October 25, 2000.

worked with opposition groups since 1991.<sup>7</sup> Some in Congress have criticized the Administration's refusal to provide lethal military equipment under the Act as contrary to congressional intent, but the Administration asserts the opposition is not ready to use such equipment effectively. Partly as a reflection of congressional sentiment for stronger support to the opposition, the FY2001 foreign aid appropriation (H.R. 4811) provides \$25 million for opposition activities, of which \$12 million is to be used by the Iraqi National Congress (INC), the leading opposition coalition, to distribute humanitarian aid inside Iraq.

On the other hand, there appears to be growing concern among some in Congress about the effects of sanctions on the Iraqi people. No Member is openly advocating the international rehabilitation of Saddam Husayn or the immediate lifting of U.S. sanctions, but some Members want to ease U.S. sanctions to facilitate the flow of U.S. civilian goods to Iraq. H.R. 3825, introduced March 2, 2000 and which has attracted 36 cosponsors, would eliminate the requirement that U.S. exporters of food and medical equipment to Iraq obtain a license for the sales. In addition, in June 2000, Representative Tony Hall became the first Member to visit Iraq since the Gulf war.

## **Iran: U.S. Outreach Amid Continued Concerns**

Since the May 1997 election of a reformist, Mohammad Khatemi, as Iran's President, the United States has been attempting to end twenty years of mutual acrimony that had occasionally led to confrontation. However, Khatemi is operating within a power structure established by the 1979 Islamic revolution, an establishment that is deeply suspicious of the United States and has limited Khatemi's ability to improve relations with the United States.

Even before Khatemi's election raised U.S. hopes for internal change in Iran, U.S. foreign policy experts had been arguing that improved relations with Iran could help the United States accomplish several goals, including: containing Saddam Husayn's Iraq; reducing the threat to the United States and to the Arab-Israeli peace process posed by Islamic terrorist groups; easing Iran's opposition to a large U.S. military presence in the Persian Gulf region; dissuading Iran of the need to acquire weapons of mass destruction; and curbing the regional threat from the puritanical Sunni Islamic regime of the Taliban in Afghanistan, which is at odds with Iran. U.S. business interests, meanwhile, argued that improved U.S.-Iranian relations could help open up new energy routes for Caspian/Central Asian energy resources, would benefit U.S. exporters, and could end trade disputes with U.S. allies precipitated by U.S. secondary sanctions laws.<sup>8</sup> Others maintained that the United States could not and should not isolate a country of over 65 million people, with a location and resources

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<sup>7</sup>For further information on this aspect of U.S. policy, see CRS Report 98-179, *Iraq's Opposition Movements*. Updated June 27, 2000, by Kenneth Katzman.

<sup>8</sup>The most widely known example of U.S. secondary sanctions on Iran is the Iran-Libya Sanctions Act, P.L. 104-172, of August 5, 1996. For analysis of that and other U.S. sanctions on Iran, see CRS Report 97-231, *Iran: U.S. Policy and Options*.

as strategic as those of Iran. These arguments took on added weight with Khatemi's election and subsequent U.S. initiatives.

U.S. hopes that Khatemi would quickly move to improve relations with the United States intensified when Khatemi agreed to a special Cable News Network interview on January 7, 1998, portrayed by Iran and CNN as an "address to the American people." However, Khatemi offered only people-to-people contacts with the United States, rejecting formal government-to-government ties. The United States accepted Khatemi's call for increased informal contacts but the Administration apparently later concluded that people-to-people contacts alone would not lead to a breakthrough in relations. On June 17, 1998, in a speech to the Asia Society, Secretary of State Albright proposed that the two countries undertake mutual confidence-building measures that could form a "road map" to eventually normalizing relations. On March 17, 2000, Secretary Albright again attempted to induce Iran into a dialogue with a speech that announced an easing of U.S. sanctions on the imports of Iranian luxury goods,<sup>9</sup> and an accelerated effort to resolve outstanding financial claims dating from the Islamic revolution. The Secretary also came close to an outright apology for past U.S. interference in Iran's internal affairs – including the U.S.-backed ouster in 1953 of nationalist Prime Minister Mohammad Mossadeq and U.S. support for the Shah of Iran – as well as for the U.S. tilt toward Iraq in the Iran-Iraq war. The speech followed a July 1999 easing of the U.S. trade ban on Iran to allow commercial sales to Iran of food and medical products.<sup>10</sup> The renewed overture still did not prompt Iran to accept the U.S. offer of an official dialogue, although Iran did begin broadening its contacts with Members of Congress.<sup>11</sup>

**Continued Administration and Congressional Concern.** The Administration has said there are no substantive preconditions for the beginning of talks with Iran but that the two sides openly acknowledge the dialogue, that both sides must be free to raise issues of respective concern, and that the Iranian interlocutors must be authoritative representatives of the Iranian government. Although much of the policy community, including many in Congress, accept the concept of dialogue with Iran, some Members oppose any further unilateral easing of U.S. sanctions until Iran agrees to a dialogue and decisively curbs its objectionable policies. The Administration has defined those policies as Iran's attempt to acquire weapons of mass destruction and delivery means, opposition to the Arab-Israeli peace process, and support for international terrorism. Some believe that Iran's human rights practices should also be a priority concern for the United States, although the Administration has focused on those aspects of Iranian behavior that constitute threats to U.S. national security.

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<sup>9</sup>The four category of goods that can be imported are: caviar, dried fruit, nuts, and carpets.

<sup>10</sup>The conference report on H.R. 4461, the FY2001 agriculture appropriation (H.Rept. 106-948), eases licensing procedures for food and medical sales to Iran and other terrorism list countries and authorizes the President to allow the use of U.S. export credits for these sales.

<sup>11</sup>Slavin, Barbara. "Iran, U.S. Elected Officials' Meeting First in 20 Years." *USA Today*, August 31, 2000.



Those who believe that evidence of Iran's moderation under Khatemi's administration is mixed cite developments such as the following:

- ! Khatemi and Foreign Minister Kharrazi have stated on several occasions that Iran opposes the interim accords reached between Israel and the Palestinians but Iran will not actively try to derail their peace talks. Iran did not publicly oppose Syria's decision to renew talks with Israel in December 1999, although those talks quickly broke down and have not resumed. Despite these public pronouncements, Iran continues to provide financial aid and materiel to anti-Israel groups, particularly Hizballah, Hamas, and Palestinian Islamic Jihad, according to the Administration,<sup>12</sup> and it reportedly encouraged them to continue violent actions against Israel during the September - October 2000 Israeli-Palestinian clashes. It is unclear whether or not the Iranian aid to Hizballah has diminished following Israel's withdrawal from southern Lebanon in May 2000. The withdrawal accomplished Hizballah's key military objective of ending Israel's occupation of Lebanon, although Hizballah disputes the U.N. determination that the withdrawal was complete. Iran also refused a U.S. request in mid-1999 to cooperate with the U.S.-Saudi investigation of the June 1996 bombing of the Khobar Towers military housing complex in Saudi Arabia, which killed 19 U.S. airmen.
- ! President Khatemi has attempted, with some success, to change Iran's image in the Gulf as an aggressor and to have the country seen more as a pragmatic neighbor. Saudi Arabia has been particularly receptive to overtures from Khatemi, and the two countries are working together amicably on oil pricing issues as well as on anti-crime and anti-narcotics activity in the Gulf. Bahrain, which in 1996 openly accused Iran of attempting to overthrow the ruling Al Khalifa regime, in December 1998 restored full relations with Iran by appointing an Ambassador to Tehran. At the same time, Khatemi's government has reaffirmed Iran's claim to three Gulf islands in dispute between Iran and the United Arab Emirates, and maintains small amounts of conventional military equipment on these islands.
- ! Khatemi, despite his efforts to end Iran's isolation, has not sought to curb Iran's WMD programs. All factions in Iran appear to agree on the need to continue developing these programs. They perceive that Iran is threatened on virtually all sides – by erstwhile adversary Iraq to the west; by a nuclear-equipped Pakistan and its client, the Taliban of Afghanistan, to the east; by U.S. forces in the Gulf, to Iran's south; and by political instability in the Caucasus and Central Asia, to the north. Iran views Israel as an illegitimate state, an adversary, and a strategic threat that possesses ballistic missiles and, according to numerous accounts, nuclear weapons. U.S. government officials and reports say Iran is actively pursuing a long-range missile program, that it is building a chemical and biological weapons infrastructure, and that it is acquiring expertise and technology that could be used in a nuclear weapons

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<sup>12</sup>U.S. Department of State. Office of the Coordinator for Counterterrorism. *Patterns of Global Terrorism: 1999*. April 2000.

program.<sup>13</sup> On the other hand, there are factional differences over the degree to which Iran should cooperate — or appear to cooperate — with international anti-proliferation regimes. Governing bodies of several international non-proliferation regimes, including the Nuclear Non-Proliferation Treaty and the Chemical Weapons Convention, say Iran is generally fulfilling its obligations under these agreements.

- ! President Khatemi has attempted to liberalize social and political life since taking office, but conservative forces in Iran appear intent on thwarting his internal reforms. Throughout 2000, hardliners have closed over twenty pro-reform newspapers and imprisoned some of their editors. Most observers believe that hardliners, hoping to stanch any improvement in relations with the West, were responsible for the 1999 arrest and the trial in April - June 2000 of 13 Jews from the Shiraz area on charges of spying for Israel. In July 2000, ten of the Jews, along with two Muslim associates, were found guilty and given prison sentences ranging from four to thirteen years. (An appeals panel subsequently reduced the sentences by a few years in each case, but none of those convicted were released.) On the other hand, in 2000, for the first time since the revolution, women have been appointed to judgeships.

## **The Persian Gulf Monarchies: Coping With Internal and External Threats**

U.S. attempts to contain the threats from Iran and Iraq depend heavily on cooperation with the Persian Gulf monarchies of the Gulf Cooperation Council (GCC).<sup>14</sup> U.S. defense officials maintain that close post-Gulf war cooperation with the Gulf states has placed the United States in a far better position to prevent or manage a major Gulf military crisis than was the case prior to the Iraqi invasion of Kuwait. The need for with the GCC states on defense gives the United States a strategic stake in their political stability. However, unlike defense cooperation decisions, the United States has little ability to influence their economic or internal political decisions, and the United States limits itself to providing advice on Gulf internal policies and practices. Despite the threats they face, the GCC states have proved more durable politically than some scholars had predicted, surviving attempts to subvert them by Iraq (1970s) and Iran (1980s and 1990s), the eight year Iran-Iraq war (September 1980-August 1988), the Iraqi invasion and occupation of Kuwait (August 1990 - February 1991), and post-Gulf war unrest and uncertain leadership transitions in a few of the GCC states.

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<sup>13</sup>Testimony of John A. Lauder, Director of the Central Intelligence Agency's Nonproliferation Center, before the Senate Foreign Relations Committee. October 5, 2000.

<sup>14</sup>For further information on the Gulf states, see CRS Issue Brief IB93113, *Saudi Arabia: Post-War Issues and U.S. Relations*; and CRS Report 95-1013, *Bahrain*; CRS Report 95-1071, *Oman*; CRS Report 98-436, *United Arab Emirates: U.S. Relations and Prospective F-16 Sale*; and CRS Report 98-600, *Kuwait: Current Issues and U.S. Policy*.

## Domestic Stability

The key domestic threats to GCC political stability, in most cases, come from internal, ethnic, ideological, and sectarian differences within these states. (See appendix on Gulf state population and religious composition.) Since November 1994, Bahrain's Sunni Muslim ruling family has faced several cycles of serious unrest (demonstrations, occasional rioting and some bombings) from elements of the Shia Muslim community, which constitutes a numerical majority but feels excluded from national decisionmaking. Saudi Arabia has been the only other GCC state to face significant political unrest since the Gulf war. The kingdom experienced outbreaks of rioting and demonstrations in the two years after the Gulf war because of the regime's perceived deviations from Islamic purity. Several opposition Islamic clerics were arrested.

At large in Afghanistan is an exiled Saudi opposition figure, Usama bin Ladin, who is not a religious authority but is viewed by some Saudis as a revolutionary Islamic figure who is fighting to expel U.S. influence from Saudi territory.<sup>15</sup> Some observers maintain that many Saudis privately agree with bin Ladin that the Saudi regime has turned the kingdom into a vassal state of the United States that allows Saudi territory to be used for U.S. aggression against oppressed Muslims in Iraq. Saudi official concerns about such sentiment might explain why Saudi Arabia refused to allow U.S. combat aircraft to strike Iraq from Saudi Arabia during Operation Desert Fox,<sup>16</sup> and might account for occasional reports that Saudi Arabia wants the United States to reduce its military presence in the kingdom. Bin Ladin supporters and other Islamic activists are present in the other Gulf states, and there are occasional reports of specific threats to U.S. forces or personnel,<sup>17</sup> but they do not appear to pose a major challenge to the other Gulf regimes.

**Leadership Transition.** Still governed by hereditary leaders, several of the GCC states are coping with current or imminent leadership transitions. Although few observers forecast bloody succession struggles in any of the Gulf states, succession uncertainties could cloud political or economic reform efforts under way or planned.

- ! In Saudi Arabia, King Fahd suffered a stroke in November 1995 and, although still in power, he has increasingly yielded day-to-day governance to his half-brother and heir apparent, Crown Prince Abdullah. Abdullah is the same age as Fahd (about 75) but he is in reasonably good health, according to visitors who have met with him. Abdullah is perceived as somewhat more willing than Fahd to question U.S. policy in the region and U.S. prescriptions for Saudi security, which, together with his image of piety, could account for his relative popularity among the Saudi tribes and religious conservatives.

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<sup>15</sup>For more information on bin Ladin, see CRS Report RL30643, *Terrorism: Near Eastern Groups and State Sponsors*, 2000. August 17, 2000, by Kenneth Katzman.

<sup>16</sup>Jehl, Douglas. "U.S. Fighters in Saudi Arabia Grounded." *New York Times*, December 19, 1998.

<sup>17</sup>Richter, Paul and Bob Drogin. "Plot to Bomb U.S. Plane in Bahrain Reportedly Detected." *Los Angeles Times*, October 26, 2000.

- ! In Bahrain, the sudden death of Amir Isa bin Salman Al Khalifa on March 6, 1999 led to the accession of his son, Hamad bin Isa Al Khalifa, who was commander of Bahrain's Defense Forces. Shaykh Hamad has moved slowly but decisively to try to address the grievances that caused Bahrain's unrest in the mid-1990s.
- ! The UAE is in transition from the ailing Shaykh Zayid bin Sultan al-Nahayyan, ruler of the emirate of Abu Dhabi who helped found and became President of the seven-emirate UAE federation in 1971. His eldest son, Crown Prince Khalifa, is the likely successor. Khalifa has been assuming a higher profile in the UAE over the past few years, but he is relatively untested and his succession could become clouded if the rulers of the other six emirates of the UAE federation oppose his accession. However, the UAE is well placed to weather this transition because it has faced the least unrest of any of the Gulf states and there are few evident schisms in the society.
- ! The reform-minded ruler of Qatar, Shaykh Hamad bin Khalifa Al Thani, overthrew his father in a bloodless coup in June 1995, and most of his father's supporters quickly declared their loyalty to the new Amir. Although the Amir accused his father and other GCC states of attempting a counter coup in early 1996, the Amir and his father reconciled to some extent in late 1996 and there is little evidence of unrest.
- ! In Kuwait, virtually the entire top leadership – Amir Jabir al-Ahmad Al-Sabah, Crown Prince/Prime Minister Sa'd al-Abdullah Al-Sabah, and Deputy Prime and Foreign Minister Sabah al-Ahmad Al-Sabah – is ailing. However, should they pass from the scene, there are several potential successors with significant experience in government. Islamic fundamentalist opposition to the ruling Al Sabah family is contained within the context of Kuwait's elected National Assembly, and virtually no anti-regime violence has occurred there since the Gulf war.
- ! With the exception of an alleged Islamist plot in 1994 that led to a few hundred arrests, Oman has seen little unrest since Sultan Qaboos bin Said Al Said took power from his father in 1970. Qaboos is about 61 years old and in good health, but the royal family in Oman is relatively small and there is no heir apparent or clear successor, should he pass from the scene unexpectedly.

**Political Liberalization.** Some of the Gulf states, in part to help them cope with leadership transitions and the challenges of modernization and globalization, are gradually opening the political process. The Gulf leaders hope that political liberalization will ensure stability, although some fear that this process could backfire by providing Islamic extremists a platform to challenge the incumbent regimes. Since the 1991 Gulf war, the United States has encouraged the Gulf states to open their political systems, although U.S. officials imply that political liberalization is clearly subordinate to defense and security issues on the U.S. agenda for the Gulf. U.S. officials also tell experts that the Administration is not pressing the Gulf states to adopt a U.S. or European concept of democracy, but rather to widen popular participation within their own traditions.

- ! Kuwait, Qatar and Oman have been at the forefront of political liberalization in the Gulf, and Bahrain's new Amir appears to want to follow in their footsteps. In response to popular pressure after liberation, Kuwait revived its elected National Assembly in October 1992. The Assembly was suspended by the government in 1986. Kuwait's Assembly has more influence in decisionmaking and more scope of authority than any representative body in the GCC. However, on two separate occasions in 1999, a long awaited effort by the government to institute female suffrage was rebuffed by a coalition of conservative tribal deputies and Islamists in the National Assembly. The U.S. Administration expressed support for the government's effort. Opening a new session of the Assembly in October 2000, the Amir implied that the government would press for passage of a new female suffrage bill.
- ! In March 1999, Qatar held elections to a 29-member municipal affairs council. In a first in the Gulf, women were permitted full suffrage and 6 women ran for the council, but all six lost. In late 1998, the Amir of Qatar announced that a constitution would be drafted providing for an elected National Assembly to replace the appointed 35-member consultative council in place since independence in 1971. On April 13, 1999, the House passed H.Con.Res. 35 congratulating Qatar on its holding of the municipal elections. The Senate passed a companion measure, S.Con.Res. 14, on July 1, 1999.
- ! On September 14, 2000, Oman held its first direct elections to its 83-seat Consultative Council. The electorate consisted of 115,000 men and women, far short of a genuine popular electorate. However, the process represented a clear contrast with past elections (1994 and 1997) in which a smaller electorate consisting only of "notables," according to Omani statements, chose two or three nominees per district and the Sultan then selected the final membership. Two women were elected to the Council in the September 2000 elections. Oman also has instituted an appointed 41-seat State Council to serve, in part, as a check and balance on the elected Consultative Council. In October 2000, Sultan Qaboos named a new State Council which includes five women, up from four previously.
- ! The new Amir of Bahrain appears to be abandoning his late father's refusal to accommodate opposition demands to restore an elected national assembly. In late September 2000, the Amir broadened representation in the 40-seat appointed Consultative Council, naming to the body 19 newcomers including a Jew, a man of Indian origin, and four women, one of whom is Christian. The Administration hailed the appointments as a "positive step" to broaden political participation there. On October 3, 2000, the Amir opened the Council's term by promising a "new era" of dialogue on a new constitution. The Amir has promised that the next Council, to be inaugurated in 2004, would be elected.

In the other Gulf states, political liberalization has been somewhat slower. Saudi Arabia expanded its national consultative council to 90 seats from 60 in 1997, but it continues to rule out national elections or the appointment of women to the Council. On the other hand, in the past year, the Saudi government has parted with tradition by naming two women to high ranking government positions. The UAE has not moved at all to broaden the authority of its forty seat advisory Federal National

Council. However, the wife of UAE President Shaykh Zayid bin Sultan al-Nuhayyan said on January 31, 1999 that women will participate in the political life of the UAE in the future. A few weeks after that statement, Shaykh Zayid appointed a woman to be undersecretary of the Ministry of Labor and Social Affairs, the first woman to hold such a high-ranking government post.

Despite the move toward political openness in some of the Gulf states, the Administration and many in Congress believe that the Gulf states continue to rely heavily on repression and denial of internationally recognized standards of human rights to maintain political stability. Even the moves toward political liberalization in the Gulf states do not give Gulf citizens the right to peacefully change their government, and the foreign workers on which their economies rely have virtually no political rights at all. Almost all the Gulf states are cited by human rights organizations and U.S. human rights reports for arbitrary arrests, religious discrimination, suppression of peaceful assembly and free expression, and the denial of popular ability to peacefully change the government.

Congress has been particularly interested in the issue of religious discrimination.<sup>18</sup> The 105<sup>th</sup> Congress enacted the International Religious Freedom Act (IRFA, P.L. 105-292) which, among other provisions, requires the Administration to report to Congress on the status of religious freedom worldwide. Of the Gulf states, only Saudi Arabia actively prohibits the practice of non-Muslim religions on its territory, even in private, with limited exceptions. In July 2000, the U.S. Commission on International Religious Freedom, which was chartered by IRFA, recommended to the Secretary of State that Saudi Arabia be designated a “country of particular concern” on the grounds that it “vigorously enforces its prohibition against all forms of public religious expression other than that of Wahhabi Muslims.”<sup>19</sup> At least in part because of Saudi Arabia’s pivotal role in U.S. efforts to stabilize the Gulf region, the Secretary did not designate Saudi Arabia as a country of particular concern in September 2000. Qatar prohibits public non-Muslim worship but tolerates it in private. In Kuwait, Bahrain, the UAE, and Oman, there are functioning Christian churches and congregations. Small Jewish communities in some Gulf countries are generally allowed to worship freely.

**Economic Reform.**<sup>20</sup> At the same time the Gulf states are coping with political change, they appear to be taking steps to reform their economies. The Gulf states were shaken economically in 1998 when oil prices fell to a multi-year low of about \$10 per barrel. Although production cuts in 1999 and early 2000, as well as rising global demand, caused prices to rise sharply to over \$30 per barrel by the fall of 2000, the Gulf state want to reduce their vulnerability to future sharp price drops.

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<sup>18</sup>For further information, see CRS Report 98-444, *Religious Discrimination in the Middle East*. May 7, 1998, by Alfred Prados.

<sup>19</sup>Text: Religious Freedom Commission Lists “Countries of Particular Concern.” U.S. Department of State Washington File, July 31, 2000.

<sup>20</sup>For further information on the GCC economies, and trade and investment policies and practices, see CRS Report RL30383, *U.S.-Gulf Cooperation Council (GCC) Trade and Investment: Trends and Implications*. December 3, 1999, by Joshua Ruebner.

As noted in **Table 1** below, oil export revenues constitute a high percentage of GDP for all of the states of the Gulf, including Iran and Iraq. The health of the energy infrastructure of the Gulf producers is also a key concern of the United States – Gulf petroleum comprises almost one quarter of the United States’ approximately 10 million barrels per day (mbd) net imports.

**Table 1. Gulf Oil Exports, U.S. Imports, and % GDP, 1999**

Country	Total Exports (mbd)	U.S. Imports (mbd)	Oil Revenues as % GDP
Iran	2.4	0	45%
Iraq	2.1	0.7	100%
Kuwait	1.8	0.24	50%
Saudi Arabia	7.2	1.45	40%
Qatar	0.74	negligible	30%
U.A.E.	2.0	negligible	40%
Oman	0.9	none	40%
Bahrain	0.02	none	30%
<b>Total</b>	<b>17.16</b>	<b>2.42</b>	<b>N/A</b>

**Source:** DOE, Energy Information Agency (EIA), OPEC Revenue Fact Sheet. Some figures from supporting EIA data.

The 1997-98 oil price decline prompted the Gulf monarchy states to reevaluate their longstanding economic weaknesses, particular the generous system of social benefits they provide to their citizens. However, the strong expectation in these countries of continued benefits led the Gulf regimes to look to other ways to reform their economies. Rather than cut benefits, institute or raise taxes, or dramatically reduce their defense budgets, most of the Gulf states have chosen to try to reduce economic vulnerability by attracting international capital to the energy and other sectors, as well as by diversifying economically. Despite intense sensitivities to any perceived loss of sovereignty, Kuwait and Saudi Arabia have begun discussions with Western oil companies, including several American firms, about further developing their oil and gas reserves. The international firms bring technology and capital that are now in short supply to the Gulf’s state-owned oil companies, such as Aramco (Saudi Arabia) and Kuwait Oil Company. It should be noted that the Kuwaiti government is having some difficulty obtaining National Assembly approval for opening the energy sector to foreign investment, although approval is expected eventually. The Saudi opening of its energy sector may also have strategic motivations – the Saudis appear to want to draw similar investment away from competing projects in Iran and the Caspian region.

As part of the process of attracting international investment, the Gulf states are starting to open their economies. The Gulf states have passed laws allowing foreign firms to own majority stakes in projects, and easing restrictions on repatriation of profits. U.S. officials have recognized progress by the GCC states in eliminating the requirement that U.S. firms work through local agents, and protecting intellectual

property rights of U.S. companies. Oman has taken enough steps to open its economy to be approved, on October 10, 2000, for membership in the World Trade Organization (WTO). This leaves Saudi Arabia as the only GCC state still outside that body, but Saudi Arabia is in the final stages of negotiations with the WTO on the terms of its entry and it expects to be admitted by mid-2001.<sup>21</sup> However, the United States still has concerns about Saudi Arabia's enforcement of the primary Arab League boycott of Israel. Oman, by exchanging trade offices with Israel in 1996, had alleviated that concern. In 1994, all six GCC countries relaxed their enforcement of the secondary and tertiary boycott, enabling them to claim that they no longer engage in practices that restrain trade (a key WTO condition).

## Gulf Foreign Policy and Defense Cooperation with the United States

Even with a weakened Iraq and a moderating Iran, most experts believe the GCC countries cannot face their security challenges alone or even in concert with each other. The GCC countries have chosen to ally with the United States and, to a lesser degree, other Western powers. Although their combined forces might be equipped as well as or better than Iran or Iraq (see **Table 2** below), the GCC countries suffer from a shortage of personnel willing to serve in the armed forces or commit to a military career, and they lack much combat experience. Defense agreements with the United States are the keys to their security.

**Table 2. Comparative Military Strengths of the Gulf States**

Country	Military Personnel	Tanks	Other Armored Vehicles	Artillery	Armed Helicopters	Combat Aircraft	Naval Units		Patriot Firing Units
							Surface Combatants	Submarines	
Saudi Arabia	162,500	1,055	2,870	448	118	432	34	0	20
United Arab Emirates	64,500	313	1,003	223	49	99	21	0	--
Oman	43,500	178	103	109	0	40	13	0	--
Kuwait	15,300	385	495	59	20	76	0	0	5
Qatar	11,800	44	248	40	18	18	7	0	--
Bahrain	11,000	106	365	98	26	24	13	0	--
<i>Total: Allies</i>	<i>308,600</i>	<i>2081</i>	<i>5084</i>	<i>977</i>	<i>231</i>	<i>689</i>	<i>88</i>	<i>0</i>	<i>25</i>
Iraq	429,000	2,200	2,900	1,950	120	316	8	0	--
Iran	545,600	1,345	990	2,460	100	304	67	5	--

**Source:** International Institute for Strategic Studies, *The Military Balance 1999-2000*. (Note: Figures shown here do not include materiel believed to be in storage and inoperable.)

<sup>21</sup>Evans, Robert. "Saudi Arabia Said Moving Quickly to WTO Entry." *Reuters*, April 4, 2000.



\* Iranian aircraft figures include aircraft flown from Iraq to Iran during 1991 Gulf war. Patriot firing unit figures do not include firing units emplaced in those countries by the United States. Six U.S. Patriot firing units are emplaced in Saudi Arabia, according to *Teal's World Missiles Briefing*.

In return for providing protection to the Gulf states, the Administration and Congress have expected these states to support U.S. policy in the Middle East, including the Arab-Israeli peace process. All the GCC states have participated in the multilateral peace talks, but only Bahrain, Qatar, and Oman have hosted sessions of the multilaterals. As noted above, the GCC states have ceased enforcing the secondary and tertiary Arab League boycott of Israel, and Oman and Qatar opened low-level direct trade ties with Israel in 1995-1996. A regional water desalination research center has been set up in Oman as a result of an agreement reached at the multilaterals. In November 1997, at a time of considerable strain in the peace process, Qatar bucked substantial Arab opposition and hosted the Middle East/North Africa economic conference, the last of that yearly event to be held. Israel's Foreign Minister said in October 2000 that, in recent years, diplomats from all six Gulf states have met with Israeli diplomats during reciprocal visits or at the margins of international meetings.

At the same time, as Arab states, the Gulf states have tried to remain within an Arab consensus on the peace process and other issues of concern to the Arab and Islamic world. During the October 2000 Israeli-Palestinian clashes, Oman closed its trade office in Israel and ordered Israel's trade office in Muscat closed. After the October 21-22 Arab League summit that convened to discuss the violence, Qatar said it would consider closing Israel's trade office in Doha. The declaration of the meeting also commits the Gulf states to suspend their participation in the multilateral peace talks, although little activity has taken place on that track since 1996.<sup>22</sup> Even though the Gulf states still resent PLO leader Yasir Arafat for supporting Iraq in the Gulf war, the Gulf states have bowed to public sympathy for the plight of the Palestinians by giving financial assistance to the Palestinian Authority. The Arab League summit adopted a Saudi suggestion to provide \$1 billion in aid to the families of Palestinians killed or injured in the clashes and to Arab and Islamic institutions in Jerusalem. Apparently responding to U.S. overtures prior to the summit, the Gulf states generally supported the successful effort of Egypt and other moderate Arab states to leave the door open for future Israeli-Palestinian peace talks. However, there is concern in the U.S. defense establishment that Gulf support for the Palestinians in the ongoing crisis could lead the Gulf regimes to become less forthcoming in defense cooperation with the United States. To date, there are no signs the Gulf leaders are considering such a move.

Although committed to defense cooperation and some foreign policy coordination with the United States, the Gulf rulers do not want to be seen by their populations as vassals of the United States. As discussed below, the Gulf states host U.S. forces tasked with containing Iraq, but Gulf leaders say their people are increasingly opposed to what they see as a U.S. effort to punish rather than merely contain Iraq. The Gulf states are also reflecting public opinion in their shift against the U.S. policy of maintaining sanctions on Iraq, which many Gulf citizens believe is

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<sup>22</sup>For further information on the multilaterals, see CRS Report RL30311. *Middle East: The Multilateral Peace Talks*. Updated August 17, 2000, by Joshua Ruebner.

hurting only the Iraqi people. Echoing the position of several Gulf leaderships, Qatar's Foreign Minister told visiting Secretary of Defense Cohen in March 1999 that Qatar does "not wish to see Iraq being bombed daily." He was referring to the U.S. strikes on Iraq in the no fly zones since December 1998. In June 2000, both the UAE and Bahrain re-established diplomatic relations with Iraq. Qatar re-established relations in 1992 and Oman did not break relations when Iraq invaded Kuwait. With the exception of Kuwait, all the Gulf states have resumed trade ties with Iraq and Saudi Arabia said in October 2000 that it might open up a border crossing with Iraq (at al-Arar) to facilitate direct shipments of goods to Iraq.

In the same way as U.S. policy toward Iran has shifted, so has the GCC perception of Iran as a threat has given way to rapprochement. Some of the Gulf states, particularly Saudi Arabia, Kuwait, and Oman, have improved relations with Iran dramatically over the past few years. Oman and Kuwait have already agreed to limited pacts with Iran to cooperate on smuggling and illegal immigration in the Gulf, and Saudi Arabia is contemplating a similar agreement with Iran.<sup>23</sup> The United States views these steps as helpful to its own efforts to achieve a rapprochement with Iran. However, were these or other pacts to evolve into full-fledged defense agreements between Iran and the Gulf states, the United States might view them as a threat to its own close defense relations with the Gulf. Some experts see Iran as attempting to "charm" the Gulf states into scaling back their defense cooperation with the United States as part of an effort to replace the United States as the chief Gulf power. Others believe Iran shares the GCC interest in reducing tensions in the Gulf, and that Iran does not believe it could ever maneuver the United States out of the Gulf.

**Defense Agreements and U.S. Forces in the Gulf.** With the exception of Saudi Arabia, the Gulf states have entered into defense pacts with the United States, which provide not only for facilities access for U.S. forces, but also for U.S. advice, training, and joint exercises; lethal and non-lethal U.S. equipment prepositioning; and arms sales. The pacts do not formally require the United States to come to the aid of any of the Gulf states if they are attacked, according to U.S. officials familiar with their contents. Nor do the pacts give the United States automatic permission to conduct military operations from Gulf facilities — the United States must obtain permission on a case by case basis.

An influx of U.S. military personnel and equipment has accompanied the defense pacts, and Administration officials have generally praised Gulf state cooperation in ensuring the safety of American personnel from terrorist attacks. Despite the host country cooperation, terrorists killed 5 American military advisers in an attack in Saudi Arabia in November 1995 and 19 U.S. airmen in the June 1996 Khobar Towers attack.

The following is a brief overview of U.S. operations and presence in each of the six GCC states, as well as Yemen:

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<sup>23</sup>Ratnam, Gopal. Tehran Maneuvers to Eject U.S. Force From Middle East. *Defense News*, August 28, 2000; Matusic, Karen. Iran Pacts About Crime, Not Defense- Gulf Officials. *Reuters*, April 18, 2000.

- ! Concerned about internal opposition to a U.S. presence, Saudi Arabia has refused to sign a formal defense pact with the United States. However, it has entered into several limited defense procurement and training agreements with the United States.<sup>24</sup> It currently hosts about 150 U.S. combat aircraft performing the Southern Watch operation over southern Iraq, and, as noted above, six U.S. Patriot firing units. The number of U.S. military personnel there and in the rest of the Gulf theater of operations is listed in **Table 3** below.
- ! Bahrain has hosted the headquarters for U.S. naval forces in the Gulf since 1948, long before the United States became the major Western power in the Gulf. (During the 1970s and 1980s, the U.S. presence was nominally based offshore.) Bahrain signed a separate defense cooperation agreement with the United States on October 28, 1991. In June 1995, the U.S. Navy reestablished its long dormant Fifth fleet, responsible for the Persian Gulf region, and headquartered in Bahrain. It should be noted that no U.S. warships are actually based in Bahraini ports; the headquarters is used to command the 20 or so U.S. ships normally in the Gulf.
- ! An April 21, 1980 facilities access agreement with Oman provides the United States access to three Omani airbases (Seeb, Thumrait, and Masirah) and some Air Force prepositioning of equipment. The agreement was renewed in 1985 and 1990, and is up for renewal at the end of 2000. Oman, dismayed at the closeout of U.S. economic aid to Oman as of the end of FY1996 (economic aid was a condition of the original access agreements), has suggested that the United States fund the construction of an airbase at Mulladah as a condition of renewal,<sup>25</sup> or upgrade the three air bases the United States now uses. However, U.S. officials expect the access agreements will be renewed and negotiations are ongoing, "in a positive manner," Oman's Minister of State for Foreign Affairs said in April 2000.<sup>26</sup>
- ! On September 19, 1991, Kuwait, which sees itself as the most vulnerable to renewed Iraqi aggression, signed a ten year pact with the United States allowing the United States to preposition enough equipment to outfit a U.S. brigade, and joint U.S.-Kuwaiti exercises are held almost constantly. Kuwait routinely allows the United States to conduct airstrikes on Iraq from its territory and to station additional air and ground forces in Kuwait during times of crisis. As part of a plan to be able to hold off a potential Iraqi invasion until reinforcements arrive, the United States opened a Joint Task Force headquarters in Kuwait in December 1998. In October 1999, Secretary Cohen said the United States would spend \$173 million to upgrade the two Kuwaiti air bases that host about 40 U.S. aircraft (Ali al-Salem and Ali al-Jabir), and to upgrade the headquarters of U.S. Army troops in Kuwait.

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<sup>24</sup>For more information on these agreements, see CRS Report 94-78, *Saudi Arabia: U.S. Defense and Security Commitments*. February 3, 1994, by Alfred Prados.

<sup>25</sup>Finnegan, Philip. "Oman May Limit U.S. Presence." *Defense News*, December 1-7, 1997.

<sup>26</sup>"Oman 'Positive' on Renewal of Military Pact." *Bahrain Tribune*, April 3, 2000.

- ! Qatar appears increasingly receptive to a close defense relationship with the United States. It signed a defense pact with the United States on June 23, 1992, and has thus far accepted the prepositioning of enough armor to outfit one U.S. brigade, and the construction of a facility that could accommodate enough equipment to outfit at least two U.S. brigades. Qatar has expressed willingness to host a forward presence for U.S. Central Command, which is based at MacDill Air Force Base in Tampa, Florida, and it has begun allowing U.S. P-3 maritime patrols from Qatar. The United States is currently helping Qatar expand a large air base (Al Udaid) and, according to Defense Department officials, the United States is negotiating with Qatar to use Al Udaid as a permanent host for U.S. aircraft. The Administration apparently wants to place aircraft in Qatar in order to reduce the number stationed in Saudi Arabia.
  
- ! The UAE does not view Iraq as the only threat that a U.S. presence might help deter. The UAE wants a close relationship with the United States in part to deter and balance out Iranian naval power. On July 25, 1994, it announced it had signed a defense pact with the United States. The UAE allows some U.S. prepositioning, as well as U.S. ship port visits (about 20 dockings per month), at its large man-made Jebel Ali port. It also hosts U.S. refueling aircraft participating in the southern no fly zone enforcement operation. However, concerned about a perceived loss of sovereignty to the United States, the UAE also insisted on a clarification, resolved in mid-1997, of the defense pact's provisions on the legal jurisdiction of U.S. military and other official personnel in the UAE.
  
- ! Yemen is not a GCC state and U.S. relations with it were limited until the mid 1990s because of Yemen's support for Iraq in the Gulf crisis. However, U.S. military ties to Yemen were expanding before the October 12, 2000 terrorist attack on the U.S.S. Cole, which killed 17 U.S. Navy personnel. Former commander of U.S. Central Command Anthony Zinni visited Yemen four times during 1997-99 to broaden U.S.-Yemen defense cooperation, and some combined military exercises have been conducted. Yemen has also been storing 300,000 barrels of oil for use by U.S. ships patrolling the Gulf, and these ships, including the Cole, used Yemen to refuel. Even though Yemen has cooperated with U.S. anti-terrorism efforts and the Cole investigation, the Cole attack has heightened longstanding concerns about the presence of terrorists in Yemen, and it is likely that defense relations with Yemen will be scaled back, at least in the short term.

**Table 3. U.S. Troops in the Gulf and Host Nation Support**

Country	U.S. Forces (March 2000)	Host Nation Support (1998) (Millions)
Saudi Arabia	3,903 Air Force 329 Navy 773 Army 4 Marine 5,009: Total Joint Task Force/Southwest Asia About 160 U.S. aircraft	\$1.79 direct \$90.22 indirect  \$92.01: Total
Kuwait	1,893 Air Force 23 Navy 2,238 Army 6 Marine 4,160: Total Joint Task Force/Kuwait About 40 U.S. aircraft	\$171.05 direct \$4.90 indirect  \$175.95: Total
UAE	323 Air Force 11 Navy 6 Army 6 Marine 346: Total	\$0.06 direct \$10.38 indirect  \$10.43: Total
Qatar	2 Air Force 1 Navy 32 Army 35: Total	\$0.00 direct \$11.00 indirect  \$11.00: Total
Oman	50 Air Force 60 Navy 2 Army 9 Marine 121: Total	\$0.00 direct \$44.94 indirect  \$44.94: Total
Bahrain	21 Air Force 746 Navy 20 Army 560 Marine 1,347: Total Fifth Fleet Headquarters	\$1.70 direct \$1.23 indirect  \$2.93: Total
Turkey	1,805 Air Force (Northern Watch) About 24 aircraft (Northern Watch)	N/A
Afloat in the Gulf	About 13,000 mostly Navy 1 aircraft carrier plus about 10 associated ships, with about 70 aircraft. 2 U.S. ships help enforce Iraq embargo.	N/A

**Sources:** Department of Defense, Active Duty Military Personnel Strengths by Regional Area and By Country, March 31, 2000; Department of Defense, Responsibility Sharing Report, March 2000, available online at [[http://www.defenselink.mil/pubs/allied\\_contrib2000/cntry-sums.html](http://www.defenselink.mil/pubs/allied_contrib2000/cntry-sums.html)].

**Note:** Direct support refers to financial payments to offset U.S. costs incurred. Indirect refers to in-kind support such as provision of fuel, food, housing, basing rights, maintenance, and the like.

**U.S. Arms Sales and Security Assistance.** A key feature of the U.S. strategy for protecting the Gulf has been to sell arms and related training services, to the GCC states. Congress has not blocked any U.S. sales to the GCC states since the Gulf war, although some in Congress have expressed reservations about sales of a few of the more sophisticated weapons and armament packages to the Gulf states in recent years. Some Members believe that sales of sophisticated equipment could erode Israel's "qualitative edge" over its Arab neighbors,<sup>27</sup> if the Gulf states were to join a joint Arab military action against Israel. Few believe that, absent a major Arab-Israeli war, the Gulf states would seek conflict with Israel. Even if they were to do so, the Administration maintains that the Gulf states are too dependent on U.S. training, spare parts, and armament codes to be in a position to use sophisticated U.S.-made arms against Israel.<sup>28</sup>

Fearing that some U.S. weapons could fall into the hands of terrorist groups operating in the region, recent foreign aid appropriations laws have barred sales of "Stinger" man-portable ground-to-air missiles systems to all Gulf countries except Bahrain, which purchased U.S. Stingers in the late 1980s. A similar provision was included in a security assistance law (H.R. 4919, P.L. 106-280), the Security Assistance Act of 2000. The Foreign Relations Authorization Act of 1994-95 (P.L. 103-256, signed April 30, 1994) bars U.S. arms sales to any country that enforces the primary and secondary Arab League boycott of Israel, but the Administration has waived the application of this law to the Gulf states every year since enactment.

Most of the GCC states are considered too wealthy to receive U.S. security assistance. Only Bahrain and Oman – the two GCC states that are not members of the Organization of Petroleum Exporting Countries (OPEC) – receive any U.S. aid. In FY2000, Bahrain and Oman each received \$225,000 in International Military Education and Training Funds (IMET). Slight increases are planned for FY2001. In FY2000, Oman also received \$300,000 in Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR) funds for demining in southwest Oman; \$500,000 is planned for FY2001. Bahrain and Oman are eligible to receive U.S. excess defense articles (EDA) on a grant basis, and the UAE is eligible to buy or lease EDA. In 1995-96, Oman received 30 and Bahrain 48 U.S.-made M-60A3 tanks on a "no rent" lease basis. The Defense Department subsequently transferred title to the equipment to the recipients. Since July 1997, Bahrain has taken delivery of a U.S. frigate and a HAWK air defense battery as EDA.

Some of the major U.S. arms sales to the Gulf states, either in progress or under consideration, include the following.<sup>29</sup>

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<sup>27</sup>Towle, Michael. "Senators Say They Now Support F-16 Sale." *Fort Worth Star-Telegram*. August 25, 1998.

<sup>28</sup>Ratnam, Gopal and Amy Svitak. "U.S. Would Keep Tight Rein on Missile Sold to Bahrain." *Defense News*, September 11, 2000.

<sup>29</sup>Information in this section was provided by the Defense Security Cooperation Agency (DSCA) in *Security Assistance Program Summaries* (unclassified) for each of the Gulf states. July - September 2000.

- ! The UAE historically has purchased its major combat systems from France, but UAE officials now appear to believe that arms purchases from the United States enhance the U.S. commitment to UAE security. In May 2000, Congress supported the President's proposal to finalize with the UAE a contract to purchase 80 U.S. F-16 aircraft, equipped with the Advanced Medium Range Air to Air Missile (AMRAAM), the HARM (High Speed Anti-Radiation Missile) anti-radar missile, and the HARPOON anti-ship missile system. Some in Congress objected to the inclusion of the AMRAAM equipment as the first introduction of that weapon into the Gulf region, but the Administration apparently satisfied that objection by demonstrating that France had already introduced a similar system in an arms deal with Qatar. The total sale value is estimated at over \$8 billion, including a little over \$2 billion worth of weapons, munitions, and services being sold under the Foreign Military Sales (FMS) program.<sup>30</sup> The UAE is evaluating the Patriot PAC-III theater missile defense system, as well as a Russian equivalent, to meet its missile defense requirements.
  
- ! Although oil prices have roughly tripled since their lows in 1998, Saudi Arabia is still digesting about \$15 billion in purchases of U.S. arms in connection with the Gulf war, and few major new sales are on the horizon. Having purchased 72 U.S.-made F-15S aircraft in 1993, (delivery completed in July 2000) DSCA says there are reports that the Saudis will request to buy an additional 12 - 24 F-15's to replace aging F-5's, although no official request has been made. In July 2000, the United States proposed a sale to Saudi Arabia of up to 500 AMRAAM missiles and related equipment and services, at an estimated cost of \$475 million, to outfit their F-15's. Congress did not attempt to block the sale.
  
- ! A planned sale to Kuwait of an unspecified number of AH-64 "Apache" helicopters has not materialized because of Kuwait's indecision about the equipment to be included, particularly the "Longbow" fire control system. A U.S. offer to sell Kuwait 48 U.S.-made M109A6 "Palladin" artillery systems, (worth about \$450 million) was withdrawn in July 2000. The sale, which might be revived later, had languished for about two years because of opposition from several members of Kuwait's National Assembly. Assembly opponents of the sale believe that the Palladin is not the best available system and that the purchase represents an attempt to curry political favor with the United States.
  
- ! In 1998, Bahrain chose to purchase 10 F-16's from new production at a value of about \$390 million; delivery is planned for early 2001. In late 1999, the Administration, with congressional approval, agreed to sell Bahrain up to 26 AMRAAM's, at a value of up to \$69 million, with delivery not to occur before 2002. Among the more controversial sales to a Gulf state, Bahrain has requested up to 30 Army Tactical Missile Systems (ATACM's), a system of

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<sup>30</sup> See CRS Report 98-436, *United Arab Emirates: U.S. Relations and F-16 Aircraft Sale*. Updated June 15, 2000, by Kenneth Katzman and Richard F. Grimmett. Transmittal notices to Congress, No. DTC 023-00, April 27, 2000; and 98-45, September 16, 1998.

short-range ballistic missiles fired from a multiple rocket launcher. Although the Defense Department has told Congress the version sold to Bahrain would not violate the rules of the Missile Technology Control Regime (MTCR)<sup>31</sup>, some in Congress fear the proposed sale could facilitate the spread of ballistic and cruise missiles in the Gulf.<sup>32</sup> In an effort to allay these concerns, the Administration is proposing a system of joint U.S.-Bahraini control of the weapon under which Bahraini military personnel would not have access to the codes needed to launch the missile.<sup>33</sup>

- ! Although Qatar has traditionally been armed by France and Britain, the Foreign Minister said in mid-1997 that it is "probable" that Qatar will buy arms from the United States in the future. No major U.S. sales seem imminent, but Qatar is evaluating a few U.S. systems including the Patriot (PAC-III), the M1A2 "Abrams" tank, and a Low Altitude Surveillance System (LASS). The United States has told Qatar it is eligible to buy the ATACM system (see above) because the Administration has approved Bahrain for purchases of that system, but Qatar has not expressed an interest in the ATACM to date.
- ! Oman has said it might select a new fighter aircraft after 2000 and, if it does, it will likely resurrect past consideration of the U.S. F-16. However, with its funds limited over the past few years, Oman has had to refurbish British-built aircraft already in its possession. Oman does not appear to be considering the purchase of any major U.S. systems at this time, although it has requested some items be supplied as EDA, including patrol boats to combat smuggling.

**Joint Security/ "Cooperative Defense Initiative."** The United States has encouraged the GCC countries to increase military cooperation among themselves, building on their small (approximately 5,000 personnel) Saudi-based force known as Peninsula Shield, formed in 1981. Peninsula Shield did not react militarily to the Iraqi invasion of Kuwait, casting doubt on the force's viability. Manpower shortages and disagreements over command of the force have prevented the GCC states from agreeing to a post-Gulf war Omani recommendation to boost Peninsula Shield to a 100,000 man force. Suspicions of Syria and Egypt have prevented closer military cooperation with those countries, as envisioned under the March 1991 "Damascus Declaration." However, in September 2000, the GCC states agreed in principle to increase the size of Peninsula Shield to 22,000.<sup>34</sup> It should be noted that the GCC states have announced similar agreements on Peninsula Shield in the past without implementation, and that no time timetable has been set for reaching this level of

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<sup>31</sup>The MTCR commits member states not to transfer to non-member states missiles with a range of more than 300 km, and a payload of more than 500 kilograms. Turkey, Greece, and South Korea are the only countries to have bought ATACM's from the United States.

<sup>32</sup>Ratnam, Gopal and Amy Svitak. "U.S. Would Keep Tight Rein on Missile Sold to Bahrain." *Defense News*, September 11, 2000.

<sup>33</sup>*Ibid.*

<sup>34</sup>"GCC States Look to Boost 'Peninsula Shield' Force to 22,000." *Agence France Press*, September 13, 2000.



strength. In October 2000, the GCC states announced that they are close to completing the linking of their early warning radar and communication systems.

The linked GCC early warning system, which is expected to eventually include a link to U.S. systems, is part of the Administration's "Cooperative Defense Initiative" to integrate the GCC defenses with each other and with the United States. Another part of that initiative is U.S.-GCC joint training to defend against a chemical or biological attack, as well as more general joint military training and exercises.<sup>35</sup> The Cooperative Defense Initiative appears to be a scaled-back version of an earlier U.S. idea to develop and deploy a GCC-wide theater missile defense (TMD) system that could protect the Gulf states from Iran's increasingly sophisticated ballistic missile program and from any retained Iraqi ballistic missiles.<sup>36</sup> The Department of Defense, according to observers, envisioned this system under which separate parts (detection systems, intercept missiles, and other equipment) of an integrated TMD network would be based in the six different GCC states. In proposing such a project, Secretary of Defense Cohen said on October 10, 1998, during a visit to the Gulf, that TMD technology was sophisticated and costly. His statement implied that cost sharing and integration among the GCC states was preferable to individual country purchases of Patriots or other TMD equipment. However, that concept ran up against GCC states' financial constraints, differing perceptions among the Gulf states, some level of mistrust among them, and the apparent UAE preference for Russian made anti-missile/air defense systems.<sup>37</sup> As noted in **Table 3** above, Kuwait and Saudi Arabia have Patriot anti-missile units of their own; the other four GCC states have no missile defenses.

## Conclusions and Prospects

U.S. Gulf policy faces several uncertainties when a new U.S. administration and a new Congress take office in January 2001. Analysts expect that Iraq will continue to show some success in breaking out of its international isolation, although probably not to the point where it re-emerges as an immediate strategic threat to U.S. interests. As long as Security Council states such as France and Russia argue its brief within the Council, Iraq senses little urgency to allow a resumption of U.N. weapons inspections. However, Iraq also has little incentive to undermine its powerful friends by threatening its neighbors or resuming an all-out effort to rebuild its WMD programs. With Iraq's opposition divided and weak inside Iraq, it is not likely that U.S. efforts to support the opposition will lead to a near-term coup d'état or popular uprising against Saddam Husayn.

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<sup>35</sup>Press Conference with Secretary of Defense William Cohen. Office of the Assistant Secretary of Defense (Public Affairs), April 8, 2000.

<sup>36</sup>Under Resolution 687, Iraq is allowed to retain and continue to develop missiles with a range of up to 150 km, which would put parts of Kuwait and Saudi Arabia within range of Iraq, even if Iraq abides completely by the provisions of the resolution.

<sup>37</sup>Finnegan, Philip. "Politics Hinders Joint Gulf Missile Defense." *Defense News*, March 22, 1999.

In Iran, observers sense some movement on the part of the regime to begin a political dialogue with the United States or accept the Secretary of State's proposed "roadmap" to normal relations. However, Khatemi is up for re-election in mid-2001 and his ability to undertake bold new foreign policy initiatives might be limited. If he runs for re-election, a convincing win could allow Khatemi to push forward on outreach to the United States. Whether Khatemi is politically weak or strong, Iran will probably continue to develop its WMD programs, especially its ballistic missiles. There is a consensus among all Iranian factions that the strategic threats facing Iran, from Iraq, the United States, Afghanistan, Israel, or other quarters, justify developing WMD. The September - October 2000 Israeli-Palestinian clashes have also unified Iran's factions to maintain support for Hizballah and the Palestinian rejectionist groups.

Higher oil prices have brightened the economic and political outlook for the Gulf regimes as 2000 draws to a close. However, in the relatively near future, Saudi Arabia might face the completion of a leadership transition from King Fahd to Crown Prince Abdullah, who is now King in all but formal title. The UAE might soon face a leadership transition. Although unrest in Bahrain has quieted over the past two years, the potential for renewed unrest remains if Amir Hamad is perceived to renege on his promises of additional political reform.

Perhaps a more significant unknown is whether or not Gulf public sympathy with the Palestinians in the September - October clashes will cause the Gulf regimes to loosen their strategic ties to the United States. The Gulf states already have faced some internal pressure to downplay their defense relations with the United States because the cooperation is directed against Iraq, which is increasingly perceived in the Gulf as unjustly victimized by U.S. and international sanctions. However, as long as Saddam Husayn remains in power, the Gulf governments are unlikely to jeopardize relations with the United States to the point where they might be vulnerable to Iraqi pressure or intimidation. The Gulf states, although willing to improve relations with Iran, are also unlikely to trust Iran to the point where they will allow it to dominate Gulf security arrangements.

## Appendix 1. Gulf State Populations, Religious Composition

Country	Total Population	Number of Non-Citizens	Religious Composition
Iran	68.9 million	607,000	89% Shia; 10% Sunni; 1% Bahai, Jewish, Christian, Zoroastrian
Iraq	21.7 million	—	60-65% Shia; 32-37% Sunni; 3% Christian or other
Saudi Arabia	20.8 million	5.2 million	90% Sunni; 10% Shia
Kuwait	1.91 million	1.56 million	45% Sunni; 40% Shia; 15% Christian, Hindu, other
United Arab Emirates	2.3 million	1.56 million	80% Sunni; 16% Shia; 4% Christian, Hindu, other
Bahrain	661,300	224,600	75% Shia; 25% Sunni
Qatar	697,000	516,000	95% Muslim; 5% other
Oman	2.36 million	—	75% Ibadhi Muslim; 25% Sunni and Shia Muslim, and Hindu

**Source:** Central Intelligence Agency World Factbook, 1998. Population figures are estimates as of July 1998. Most, if not all, non-Muslims in GCC countries are foreign expatriates.

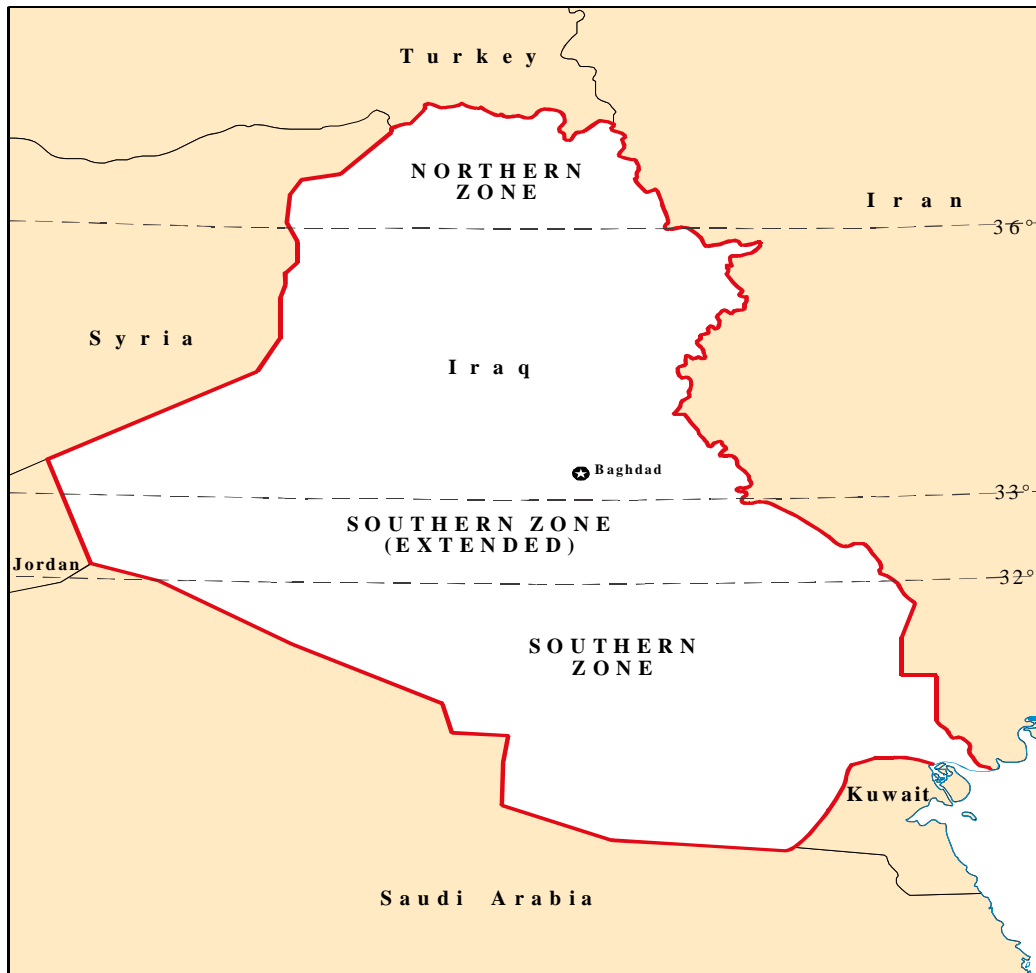
## Appendix 2. UNSCOM Accomplishments and Unresolved Issues

Weapons Category	Accomplishments	Unresolved Issues
<b>Overall Status: Nuclear</b>	IAEA reports Iraq's nuclear program dismantled and rendered harmless (April and October 1998 reports)	Questions remain about nuclear design drawings, documents, and fate of some equipment
Nuclear Fuel	All removed by IAEA	
Nuclear Facilities	Dismantled by IAEA	
Suppliers	IAEA says it has assembled a picture of Iraq's nuclear suppliers	Most of 170 technical reports from a German supplier unaccounted for
<b>Overall Status: Chemical</b>	Declared munitions, chemical precursors destroyed by UNSCOM	Most outstanding questions involve Iraqi production of VX nerve agent
VX nerve agent	Iraq admits producing 4 tons	No verification of the fate of the agent
VX precursor chemicals	191 tons verified as destroyed	About 600 tons unaccounted for, enough to make 200 tons of VX
Other chemical munitions	38,500 found and destroyed by UNSCOM	Fate of 31,600 munitions, 550 mustard shells, and 107,000 chemical casings unaccounted for
Chemical Weapons Agents	690 tons found and destroyed by UNSCOM	3,000 tons unaccounted for
Precursor Chemicals	3,000 tons found and destroyed by UNSCOM	4,000 tons unaccounted for
Chemical Monitoring	170 sites monitored during UNSCOM tenure	No monitoring since UNSCOM departure
<b>Overall Status: Biological Program</b>	UNSCOM has obtained Iraqi admissions that it had a biological warfare program	UNSCOM says most work remains in this category; no biological weapons found by UNSCOM
Biological Agents	Iraq admitted producing 19,000 liters of botulinum; 8,400 liters of anthrax; and 2,000 liters of aflatoxin and clostridium	No verification of destruction or amounts produced
Munitions	Iraq admits loading biological weapons onto 157 bombs	No verification of bomb destruction; fate of additional 500 parachute-dropped bombs unknown

Agent Growth Media	Supplier records show 34 tons imported	4 tons unaccounted for
Delivery Equipment	Iraq admits testing helicopter spraying equipment and drop tanks	Fate of these systems unknown
Production Facilities	Salman Pak facility buried by Iraq before inspections; Al Hakam bulldozed by UNSCOM	UNSCOM notes that biological agents can be produced in very small facilities
Monitoring	86 sites monitored during UNSCOM tenure	No monitoring since UNSCOM departure
<b>Overall Status: Ballistic Missiles</b>	Almost all imported missiles accounted for	Questions about Iraq's indigenous missile production remain
Imported Scud Missiles	UNSCOM says it has accounted for 817 of 819 Scuds imported from Russia	Two Scuds missing by UNSCOM accounting; U.S. and Britain believe 10-12 Scuds still unaccounted for
Chemical/Biological Warheads	75 warheads declared. 30 destroyed by UNSCOM, and at least 43 others, including 25 biological warheads, verified as destroyed	Two declared chemical warheads may be missing. Undeclared chem/bio warheads may exist
Imported Conventional Warheads	Iraq admits importing 50 Scud warheads for high explosives	Warheads unaccounted for
Indigenously-produced Missiles		30 warheads and 7 missiles unaccounted for
Missile Propellant		300 tons unaccounted for
Production Equipment	Iraq admits having 150 tons of equipment	Fate unknown
Monitoring	63 sites monitored during UNSCOM tenure	Missiles of up to 150 km range permitted. U.S. reports note permitted programs can benefit research on prohibited-range missiles.

**Source:** The information in this table is derived from reports to the U.N. Security Council by the U.N. Special Commission on Iraq (UNSCOM) and the International Atomic Energy Agency.

### Appendix 3. No Fly Zones in Iraq



Adapted by CRS from Magellan Geographix. Used with permission.

Northern No Fly Zone Established April 1991

Southern No Fly Zone (South of 32<sup>nd</sup> Parallel) Established August 1992

Southern No Fly Zone Extended to 33<sup>rd</sup> Parallel Established September 1996

## Appendix 4. Map of the Persian Gulf Region and Environs



Adapted by CRS from Magellan Geographix. Used with permission.